

## **SETTLEMENT AGREEMENT**

This Settlement Agreement is entered into by and between Alcoa Inc. (hereinafter "Alcoa"), a Pennsylvania corporation, whose address is 201 Isabella Street, Pittsburgh, PA 15212-5858, and the Calhoun County Navigation District (hereinafter "CCND"), a navigation district duly formed under the laws of the State of Texas, whose address is P.O. Box 397, Point Comfort, Texas 77978 (where appropriate, hereinafter collectively referred to as the "Parties"). This Settlement Agreement is expressly made effective on January 31, 2002 (hereinafter the "Effective Date").

### **RECITALS**

**WHEREAS**, the State of Texas deeded 47,765 acres, more or less, to the CCND, by deed dated October 30<sup>th</sup>, 1956, and recorded in the Deed Records of Calhoun County, Texas, at Volume 122, Pages 443-449, which is hereby specifically incorporated by reference.

**WHEREAS**, mercury is present in, on, or under all or part of CCND owned lands, including the approximately 1,439 acres of real property, including submerged lands, described in the Lease Agreement dated June 16, 1982 (hereinafter the "1982 Lease Property"), entered into by and between CCND and the Aluminum Company of America and recorded in Volume 356, Page 681, of the Official Public Records of Calhoun County, Texas.

**WHEREAS**, the 1982 Lease Property, in its entirety, and other CCND owned lands are located within the Alcoa (Point Comfort)/Lavaca Bay Superfund Site (hereinafter the "Superfund Site"); said Superfund Site having been placed on the National Priorities List effective March 25, 1994. 59 FED. REG. 8724 (February 23, 1994).

**WHEREAS**, the Superfund Site is depicted on Attachments "A", "B" and "C" to the Administrative Order on Consent for Remedial Investigation/Feasibility Study/Removal Action (hereinafter the "Administrative Order on Consent"), in the matter of the Alcoa (Point Comfort)/Lavaca Bay Superfund Site, U.S. EPA Docket No. 6-11-94.

**WHEREAS**, the CCND and Alcoa support the goals identified in Section IV of the Administrative Order on Consent (entitled the "Statement of Purpose").

**WHEREAS**, pursuant to the Administrative Order on Consent and other documents made a part of the administrative record in U.S. EPA Docket No. 6-11-94, Alcoa has initiated remedial investigations, feasibility studies and removal actions to address mercury and other contamination at the Superfund Site.

**WHEREAS**, the CCND and Alcoa desire to resolve their differences arising out of the presence or asserted presence of mercury in, on, or under CCND owned lands.

### **WITNESSETH**

**NOW, THEREFORE**, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Simultaneous with the execution of this Settlement Agreement, the parties, together or individually as the context may require, shall execute and deliver certain instruments and agreements as follows:
  - A. an INDEMNIFICATION AGREEMENT in the form attached hereto as Appendix 1;
  - B. a PURCHASE AND SALE AGREEMENT FOR HARBOR AND BEAN TRACTS in the form attached hereto as Appendix 2;
  - C. a SPECIAL WARRANTY DEED CONVEYING HARBOR AND BEAN TRACTS in the form attached hereto as Appendix 3;
  - D. a RELEASE OF UPLANDS AND AMENDMENT TO 1982 LEASE in the form attached hereto as Appendix 4;
  - E. a TERM EASEMENT AND RIGHT-OF-WAY (North Boundary of Harbor Tract) in the form attached hereto as Appendix 5;
  - F. a CONTRACT FOR DREDGE SPOIL DISPOSAL CAPACITY in the form attached hereto as Appendix 6;
  - G. a TERM EASEMENT AND RIGHT-OF-WAY FOR ACCESS TO AND USE OF DREDGE ISLAND BRIDGE in the form attached hereto as Appendix 7;
  - H. a RIGHT OF FIRST REFUSAL in the form in the form attached hereto as Appendix 8;
  - I. a SPECIAL WARRANTY DEED CONVEYING NORTH END OF DREDGE ISLAND in the form attached hereto as Appendix 9; and
  - J. a SPECIAL WARRANTY DEED CONVEYING ACCRETED LANDS in the form attached hereto as Appendix 10.
  - K. an AGREEMENT FOR RECIPROCAL EASEMENTS AND RIGHTS OF WAY in the form attached hereto as Appendix 11.
2. It is hereby acknowledged by the Parties that, as part of the consideration of this Settlement Agreement, Alcoa has reimbursed the CCND a total of \$770,470.59 for certain costs associated with a 1989 dredge event performed by or on behalf of CCND and for which CCND claimed it incurred additional costs resulting from the presence of mercury in the dredge spoils. These payments were made in two (2) installments of \$330,470.59 and \$440,000.00 on March 12, 1998 and April 9, 2001 respectively. Payment of this amount is in addition to the \$97,908.57 previously paid by Alcoa to the CCND on December 14, 2000 for costs charged to the CCND by Goldston Engineering, Inc.

Simultaneous with the execution of this Settlement Agreement, Alcoa shall deliver to CCND a check in the amount of \$ 250,000.00 as reimbursement of attorneys' fees, expert's fees and engineering fees incurred by the CCND. This payment shall be full and complete satisfaction of

any such costs incurred by CCND prior to the Effective Date.

3. **MUTUAL RELEASES.** Effective with the execution of this Settlement Agreement and the other agreements referenced herein, each of the Parties and their respective employees, agents, officers, directors, board members, affiliates, subsidiaries, parent companies and attorneys do hereby **RELEASE and FOREVER DISCHARGE** the other and such other's employees, agents, officers, directors, board members, affiliates, subsidiaries, parent companies and attorneys, from any and all claims, demands, damages, enforcement actions, penalties or causes of action, whether known or unknown as of the Effective Date, arising out of the presence or asserted presence of mercury at the Superfund Site or on CCND owned lands including, but not limited to, claims arising under CERCLA (whether for contribution pursuant to CERCLA §113(f) or otherwise), the Toxic Substance Control Act ("TSCA"), the Solid Waste Disposal Act as amended by the Resource Conservation and Recovery Act ("RCRA"), the Oil Pollution Act ("OPA"), Chapter 26 of the Texas Water Code or Chapter 361 of the Texas Health & Safety Code. This provision is in no way intended to amend, revise, replace or otherwise alter the terms of the Indemnification Agreement referenced in Section 1A above. In the event of a conflict between this provision and the Indemnification Agreement, the Indemnification Agreement shall control.
4. **OTHER TERMS AND CONDITIONS.**
  - a. The persons executing this Settlement Agreement the other agreements referenced herein warrant that they are fully authorized to do so. Alcoa further represents, covenants and warrants that it has taken all necessary corporate action to approve and effectuate the terms and provisions of this Settlement Agreement and attached Appendices. Likewise, the CCND represents, covenants, and warrants that it has taken all necessary action to approve and effectuate the terms and provisions of this Settlement Agreement and attached Appendices, including approval of the terms and provisions of this Settlement Agreement and attached Appendices in accordance with the provisions of the Texas Open Meetings Act.
  - b. The Parties may execute separate copies of this Settlement Agreement and attached Appendices and, upon such execution, the copies shall together constitute an original counterpart. All such executed counterparts shall together constitute a single instrument.
  - c. This Settlement Agreement and the attached Appendices relate to and concern acts and events taking place in, or lands located in, Texas and shall be interpreted, construed, and enforced in accordance with the laws of the State of Texas. Except as otherwise specifically provided for in this Settlement Agreement or the attached Appendices, venue for actions to interpret or enforce this Settlement Agreement or the attached Appendices shall be in state district court in Calhoun County, Texas or federal district court for the Southern District of Texas, Victoria Division.
  - d. This Settlement Agreement and the other agreements referenced herein contain the entire agreement between the Parties. Except as may otherwise be provided in the other agreements referenced herein, all deeds, easements and releases or other conveyances of real property executed as a part of this settlement shall be filed in the Official Public Records of Calhoun County, Texas, with copies of said recorded instruments provided to

each of the Parties.

- e. The Parties acknowledge that this Settlement Agreement the other agreements referenced herein are fully supported by consideration.
- f. If any of the provisions of this Settlement Agreement and attached Appendices shall for any reason become or be held invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not effect the other provisions contained herein, and such other provisions shall be enforced, but only insofar as to do so does not materially alter or conflict with the manifest intentions of the Parties in entering into such agreements.
- g. This Settlement Agreement and attached Appendices shall be binding upon and inure to the benefit of each of the Parties and their affiliates, subsidiaries, parent companies, heirs, assigns, and successors in interest.

*[Remainder of this page intentionally left blank; signature pages follow]*

IN WITNESS HEREOF, the CCND and Alcoa execute this Settlement Agreement and the attached Appendices on the date set forth following their names below, to have effect, however as of the Effective Date.

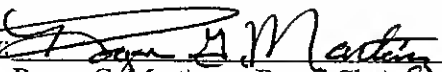
"Alcoa"

ALCOA INC.

"CCND"

CALHOUN COUNTY NAVIGATION DISTRICT

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By:  \_\_\_\_\_  
Roger G. Martinez, Board Chairman

Date: January \_\_\_\_, 2002

Date: January 31, 2002

IN WITNESS HEREOF, the CCND and Alcoa execute this Settlement Agreement and the attached Appendices on the date set forth following their names below, to have effect, however as of the Effective Date.

"Alcoa"

ALCOA INC.

By: 

Name: John Sibley

Title: President, AWA Atlantic and  
VR Manufacturing, AWA

Date: January 31, 2002

"CCND"

CALHOUN COUNTY NAVIGATION DISTRICT

By: \_\_\_\_\_

Roger G. Martinez, Board Chairman

Date: January \_\_\_\_, 2002

## INDEMNIFICATION AGREEMENT

### 1.0 Introduction

- 1.1 This Agreement is entered into by and between Alcoa Inc., a Pennsylvania corporation, and the Calhoun County Navigation District ("CCND"), a navigation district duly formed and existing under the laws of the State of Texas (the "Parties") and the owner of lands in Calhoun County, Texas (the "CCND Property"), is expressly made effective on January 31, 2002 (the "Effective Date").
- 1.2 This Agreement is supported by consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties.
- 1.3 Alcoa and CCND acknowledge the following:
  - A. Mercury is present in, on, or under all or part of CCND owned land including the 1,439 acres, more or less, of real property including, but not limited to, submerged lands, being the same real property as that described in the lease agreement dated June 16, 1982, by and between CCND and Alcoa, recorded in Volume 356, Page 681, of the Official Public Records of Calhoun County, Texas (hereinafter referred to as the "1982 Lease Property").
  - B. The 1982 Lease Property is included entirely within the Alcoa (Point Comfort)/Lavaca Bay Superfund Site which is the property listed on the National Priorities List of February 23, 1994, 59 FED. REG. 8724 (February 23, 1994), effective March 25, 1994.
  - C. The Alcoa (Point Comfort)/Lavaca Bay Superfund Site is depicted on Attachments "A", "B" and "C" to the Administrative Order on Consent for Remedial Investigation/Feasibility Study/Removal Action, in the matter of Alcoa (Point Comfort)/Lavaca Bay Superfund Site, US EPA Docket No. 6-11-94 (hereinafter referred to as the "Administrative Order on Consent").

### 2.0 Parties.

- 2.1 Alcoa is the Indemnitor under the terms of this Agreement.
- 2.2 The parties indemnified pursuant to this Agreement (hereinafter referred to individually as "Indemnified Party" or collectively as "Indemnified Parties") are: the CCND; the CCND Commissioners in their official capacity; the employees and officers of the CCND in their official capacity; and the Commissioners, officers, and employees in their individual capacity, but only to the extent a Third Party Claim is asserted for acts or omissions of such individual taken in his or her

capacity as a Commissioner, officer, or employee of CCND that are within the course and scope of that commission, office or employment. The terms "Third Party Claim" and "Third Party Claims" are defined in §4.0 below.

### **3.0 INDEMNIFICATION AND HOLD HARMLESS FOR DIRECT COSTS INCURRED**

**3.1 Alcoa agrees to INDEMNIFY AND HOLD HARMLESS the Indemnified Parties from Direct Costs (defined below), and increases in Direct Costs, associated with the use of CCND Property to the extent such Direct Costs are:**

- A. related to the presence of mercury in (a) the Affected Geographical Area (as defined in Exhibit 1), or (b) outside the Affected Geographical Area to the extent that the Indemnified Parties can show that the presence of mercury outside the Affected Geographical Area is related to or results from Alcoa's operations; or**
- B. related to the asserted presence of mercury (if asserted by a person or entity other than an Indemnified Party) in (a) the Affected Geographical Area, or (b) outside the Affected Geographical Area to the extent that the Indemnified Parties can show that the asserted presence of mercury (if asserted by a person or entity other than an Indemnified Party) outside the Affected Geographical Area is related to or results from Alcoa's operations.**

**It is expressly agreed and understood that, in addition to the areas specified on Exhibit 1, the Affected Geographical Area includes the upland portion of the Bean Tract as such tract is more particularly described in Exhibit 2 hereto.**

**3.2 The indemnity and hold harmless provisions provided under §3.1 covers only those Direct Costs incurred from and after the Effective Date of this Agreement.**

**3.3 As used in §3.1 above, "Direct Costs" are those additional direct, out-of-pocket costs incurred by the CCND in taking actions ordered by a governmental agency (other than the CCND) or court of competent jurisdiction, agreed to by Indemnitor in response to a request for reimbursement hereunder, or determined to be necessary by the arbitrators pursuant to §7.0, to: (a) detect, identify or quantify the presence of mercury; (b) contain, prevent or inhibit the dispersion or migration of mercury; (c) remove, remediate, treat or dispose of mercury contaminated soils, sediments, liquids or other media; and/or (d) correspond, communicate or negotiate with federal, state or local governmental entities concerning the presence or asserted presence of mercury. Direct Costs also include the following: (a) direct, out-of-pocket costs and expenses incurred by CCND in obtaining a finding by the arbitrators in a proceeding under §7.0 regarding those matters enumerated in §3.6 (including but not limited to legal and**



expert costs), but only to the extent awarded in the arbitration proceeding; (b) costs and expenses incurred by the Indemnified Parties due to delay resulting from Alcoa's decision to obtain a finding by the arbitrators under §7.0, but only to the extent awarded in the arbitration proceeding; and/or (c) the costs of delay or disruption to the business and normal operations of the CCND where Alcoa, pursuant to §3.5 elects to bear such costs. Notwithstanding the foregoing, Direct Costs shall not include normal and customary overhead items nor any allocation thereof, nor any hypothetical, calculated, indirect or lost opportunity costs, nor costs that are consequential in nature, such as investment losses or lost or delayed income or revenues.

- 3.4 In order to receive the benefit of the indemnification provided by § 3.1 above, an Indemnified Party must provide written notice, in accordance with § 6.0 of this Agreement, that the Indemnified Party is invoking the benefits of the indemnity provided by § 3.1. This notice shall be sent to Alcoa as soon as practicable after conditions arise which can be reasonably foreseen to cause the Indemnified Party to invoke the provisions of § 3.1. Notwithstanding this notice requirement, the failure to provide notice will not bar the indemnity provided by § 3.1 if the need for such notice could not have been reasonably foreseen, or if the lack of notice has not resulted in prejudice to Alcoa.
- 3.5 The Indemnified Parties shall reasonably cooperate with Alcoa, at Alcoa's expense, in the development and implementation of activities (including remedial actions) to manage the conditions giving rise to the claimed liability of Alcoa under §3.1. Alcoa shall keep the Indemnified Parties informed of all material developments concerning Alcoa's plans for remedial action or mitigation of costs and shall provide the Indemnified Parties with a reasonable opportunity to attend any meetings, at their own expense, with any governmental authority relating to proposed remedial action or mitigation of costs. Any action taken by Alcoa to effect a remedial action or mitigate costs shall be planned and implemented so as to cause the least practical amount of delay or disruption to the business and normal operations of the CCND, unless Alcoa elects to incur the costs of such delay or disruption.
- 3.6 All disputes arising under the provisions of this §3.0 between Alcoa and the Indemnified Parties will be decided by binding arbitration under §7.0, including, but not limited to:
- A. Whether the notice requirement under §3.4 should have been reasonably foreseen;
  - B. Whether the lack of notice under §3.4 has resulted in prejudice to Alcoa;
  - C. The necessity or reasonableness of increased costs for which the CCND seeks indemnification;

- D. Whether costs attributable to the presence or asserted presence of mercury outside the Affected Geographical Area are related to Alcoa's operations;
  - E. The cost of delay or business disruption to the Indemnified parties resulting from Alcoa's remedial actions or mitigation of costs under §3.5;
  - F. What is and is not within the definition of Direct Costs, and the amount allowed on any claim for reimbursement under §6.0; and
  - G. The award and allocation of costs (including attorneys' fees, expert costs and other legal costs) of any arbitration proceeding.
- 3.7 It is the intention of the Parties that CCND give Alcoa reasonable notice regarding activities giving rise to Alcoa's obligations under §3.0 and that Alcoa be given the full and fair opportunity to provide input, including Alcoa's involvement in discussions with third parties and regulatory agencies, for the purpose of mitigating costs. It is not the intention of the Parties that the reasonable notice provision should unreasonably interfere with the CCND's business operations or business opportunities.
- 3.8 The procedure for making claims for indemnity for Direct Costs hereunder is set forth in §6.0.

#### **4.0 INDEMNIFICATION, DEFENSE AND HOLD HARMLESS FOR THIRD PARTY CLAIMS**

- 4.1 Alcoa agrees to **INDEMNIFY, DEFEND, AND HOLD HARMLESS** the Indemnified Parties from any and all third party claims, causes of action, demands, enforcement actions, penalties, liabilities, losses, damages, expenses, and costs including, but not limited to, actions brought by federal, state or local governmental entities, to the extent such claims relate to or result from the presence or asserted presence of mercury in (a) the Affected Geographical Area or, (b) outside the Affected Geographical Area, but only to the extent the Indemnified Parties can show the presence or asserted presence of mercury results from Alcoa's operations (hereinafter "Third Party Claims" or a "Third Party Claim").
- 4.2 The indemnity, defense and hold harmless provisions provided by §4.1 covers only Third Party Claims made from and after the Effective Date of this Agreement relating to events which occurred either before or after the Effective Date of this Agreement.
- 4.3 **WITHOUT LIMITING THE INDEMNITIES OR DEFENSES CREATED BY THE PROVISIONS OF §4.1, IT IS THE EXPRESS INTENT OF THE PARTIES THAT THE INDEMNIFICATION, DEFENSE AND HOLD HARMLESS PROVISIONS THEREIN CONTAINED SHALL ALSO INCLUDE THIRD PARTY CLAIMS TO THE EXTENT THAT INDEMNIFIED PARTIES ARE ALLEGED TO BE SOLELY**

OR CONTRIBUTORILY NEGLIGENT, NEGLIGENT *PER SE* OR STRICTLY LIABLE IN CAUSING OR CONTRIBUTING TO THE PRESENCE OR ASSERTED PRESENCE OF MERCURY BY WHICH SUCH CLAIM QUALIFIES AS A THIRD PARTY CLAIM WITHIN THE DEFINITION OF THAT TERM CONTAINED IN §4.1, ABOVE. NO OTHER THIRD PARTY CLAIMS ALLEGING NEGLIGENCE, NEGLIGENCE *PER SE* OR STRICT LIABILITY ON THE PART OF THE INDEMNIFIED PARTIES IS INTENDED TO BE COVERED BY THIS PROVISION. IT IS FURTHER THE EXPRESS INTENT OF THE PARTIES THAT THE INDEMNIFICATION, DEFENSE AND HOLD HARMLESS PROVISIONS OF § 4.1 DO NOT INCLUDE THIRD PARTY CLAIMS ARISING OUT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE INDEMNIFIED PARTIES.

- 4.4 The expenses for which the Indemnified Parties are entitled to indemnity under §4.1 also include the costs and expenses incurred by the Indemnified Party in establishing through arbitration that the presence of mercury or the asserted presence of mercury outside the Affected Geographical Area results from Alcoa's operations, if and to the extent such expenses may be awarded to such Indemnified Parties in such arbitration proceeding.
- 4.5 In the event a Third Party Claim is made against an Indemnified Party, and if such claim is reasonably believed by the Indemnified Party to be covered by this Agreement, then:
- A. The Indemnified Party shall promptly forward written notice to Alcoa notifying Alcoa of the existence of the Third Party Claims, setting forth with reasonable specificity the facts and circumstances of the claims, and specifying the basis upon which the Indemnified Party seeks indemnification under this Agreement. Such notice shall be accompanied by copies of any documents that may have been received by the Indemnified Party advising of such Third Party Claims, and shall provide Alcoa with such additional information as may be available to the Indemnified Party or Parties in order that Alcoa may evaluate whether to take up defense of the Third Party Claims in accordance with the provisions of §4.0.
  - B. Alcoa shall have the right after receipt of such notice to acknowledge its indemnification obligation under this Agreement and undertake, conduct, and control, through counsel of its own choosing and at its own expense, the defense or settlement of said Third Party Claims. Both Alcoa and the Indemnified Party shall cooperate fully with one another in the defense or settlement of said Third Party Claims. If Alcoa acknowledges its indemnification obligation and assumes the defense or settlement of such Third Party Claims, the Indemnified Party may retain counsel of their own choosing to participate in the defense or settlement of said Third Party Claims; however, the costs and expense of such counsel shall be borne by the Indemnified Party.

- C. Alcoa shall have the right and obligation to defend or settle all Third Party Claims, so long as Alcoa, at Alcoa's cost and expense: (i) has, consistent with §4.5.B above, undertaken the defense of, and assumes full responsibility for, all those Third Party Claims; and (ii) is, in good faith, contesting or settling each of those Third Party Claims.
- D. Alcoa shall lose its right to defend and settle Third Party Claims, but the Indemnified Parties shall not have waived any right to reimbursement or indemnity pursuant to this Agreement, if Alcoa: (i) fails to promptly acknowledge its indemnification obligations and undertake, conduct, and control the defense or settlement of the Third Party Claims; or (ii) Alcoa acknowledges its indemnification obligations but fails to diligently and in good faith contest or settle each and every Third Party Claim.
- E. If Alcoa loses its right to defend and settle Third Party Claims as described in §4.5.D above, the Indemnified Party shall have, without prejudice to their right of indemnification hereunder, the right in their sole discretion, exercised in good faith and upon advice of counsel, to contest, defend, and litigate such Third Party Claims, and may settle said Third Party Claims, either before or after the initiation of litigation, at such time and upon such terms as the Indemnified Parties deem fair and reasonable; provided that, at least ten (10) days before any such settlement, written notice of the Indemnified Parties' intention to settle is given to Alcoa. If, under this provision, the Indemnified Parties so defend or settle a Third Party Claim for which they are entitled to indemnification hereunder, the Indemnified Parties shall be reimbursed by Alcoa for any settlement or damages, and for the reasonable attorney's fees, expert fees, consulting fees, and other expenses, incurred by the Indemnified Parties in defending the Third Party Claims, within thirty (30) days of presentation to Alcoa of bills itemizing the settlement consideration paid and such fees and expenses incurred.
- F. If Alcoa has assumed the defense or settlement of the Third Party Claims, Alcoa must obtain the prior written consent and approval of the Indemnified Party regarding all settlements it desires to enter; provided that said consent and approval shall not be unreasonably withheld. Notwithstanding the foregoing, Alcoa shall not be required to obtain the prior written consent or approval of the Indemnified Party when: (i) the settlement includes, as an unconditional term, the delivery by the Third Party Claimant to such Indemnified Party a full release and/or full dismissal with prejudice from all liability with regard to each and every claim asserted against such Indemnified Party; and (ii) no admissions, representations, requirements, or other actions concerning the Indemnified Party are included within the settlement.

## **5.0 RELEASE OF CLAIMS FOR CONTRIBUTION**

Alcoa hereby releases the Indemnified Parties from all claims that it may now or hereafter have, on account of acts or omissions of the Indemnified Parties taking place prior to the Effective Date of this Agreement, for contribution arising out of the release of mercury from Alcoa's Point Comfort Operations regardless of whether said claims are brought pursuant to federal, state or common law. Contribution claims by third parties are treated as Third Party Claims under the provisions of §4.0, above.

## **6.0 PROCEDURE FOR IDENTIFYING AND APPORTIONING THE REIMBURSEMENT OF DIRECT COSTS**

- 6.1 The purpose of this procedure is to establish a mechanism for identifying and apportioning those Direct Costs that are payable to the Indemnified Parties under §3.0.
- 6.2 To the extent reasonably practicable, the CCND shall provide Alcoa reasonable written notice prior to undertaking activities giving rise to obligations arising under §3.0.
  - A. This notice shall with reasonable specificity describe the activities to be performed, the date the CCND intends to undertake said activities and a description of why and how such activities give rise to the indemnity obligations set out in §3.0.
  - B. This notice shall be sent pursuant to the provisions of §9.8 hereof
  - C. Alcoa shall provide written notice to the CCND in the event Alcoa intends to change its designated representative or the address or addresses to which CCND is to provide notice under §6.2.B. Until Alcoa provides such written notice of intent to change its designated representative, a written notice provided to Alcoa pursuant to §6.2.B above shall be deemed actual notice for purposes of this Agreement.
  - D. In the event of an emergency that precludes providing prior notice pursuant to §6.2.A, the Indemnified Party shall comply with §6.2.A as soon as reasonably practicable.
- 6.3 When an Indemnified Party incurs a Direct Cost that is covered by the indemnity under §3.0 of this Agreement, the Indemnified Party shall send Alcoa by certified mail a Request for Reimbursement that sets out the following:
  - A. a description of the work performed or to be performed;
  - B. the date the work was performed or to be performed;

- C. the total cost of the work and that portion of the total cost which is attributable to the presence or asserted presence of mercury; and
  - D. an explanation of why and how a particular cost incurred is attributable to the presence or asserted presence of mercury.
- 6.4 The Indemnified Party shall attach to the Request for Reimbursement documentation itemizing the work undertaken and Direct Costs incurred attributable to the presence or asserted presence of mercury. This documentation may take the form of, but is not limited to, one or more of the following: invoices; bills; bids; sampling data; and environmental audits, reports or studies. It may also include any correspondence, order, request or concern issued or raised by any local, state or federal regulatory entity which arises, in whole or in part, due to the presence or asserted presence of mercury.
- 6.5 Alcoa shall have the right to request additional information showing that a Direct Cost for which the Indemnified Party seeks indemnity is attributable to the presence or asserted presence of mercury. Requests for additional information shall be submitted in writing to the Indemnified Party by Alcoa within ten (10) days of Alcoa receiving a Request for Reimbursement. Upon receipt of a request for additional information, the Indemnified Party shall make a good faith effort to provide additional information showing that a Direct Cost incurred is attributable to the presence or asserted presence of mercury.
- 6.6 Alcoa shall pay the Indemnified Party the total cost attributable to the presence or asserted presence of mercury as set out in a Request for Reimbursement within thirty (30) days of receiving said Request for Reimbursement unless Alcoa disputes payment of all or part of the costs for which the Indemnifying Party seeks indemnity under §3.0 of this Agreement. If Alcoa disputes payment of all or part of the Direct Cost for which the Indemnified Party seeks indemnity, Alcoa shall within thirty (30) days of receiving a Request for Reimbursement notify the Indemnified Party in writing of the amount in dispute and describe with reasonable specificity the basis of that dispute. In the event Alcoa disputes only a portion of the amount requested, Alcoa shall pay the undisputed amount within thirty (30) days of receiving the Request for Reimbursement. Acceptance of the undisputed amount by the Indemnified Party does not constitute waiver or an accord and satisfaction as to the remaining costs.

## **7.0 BINDING ARBITRATION**

- 7.1 In the event any of a dispute under any of the provisions of §3.0, the Parties to this Agreement shall enter into binding arbitration to resolve said matters of disagreement.
- 7.2 Any arbitration brought pursuant to this Agreement shall be conducted in the following manner:

- A. *Selection of Arbitrators:* A panel of three (3) arbitrators shall be selected pursuant to the American Arbitration Association's Rules for Commercial Arbitration or such other rules as are mutually agreed to be the Parties in writing.
- B. *Decisions of Arbitrators:* Decisions by the three arbitrators shall be by majority vote. The decision of a majority of the arbitrators shall be final and conclusive with regard to the Parties to this Agreement.
- C. *Location of Arbitration:* An arbitration hearing shall be held at a mutually acceptable location in Houston, Texas, or such other place which is mutually agreed to by the Parties in writing.
- D. *Time Limitations:* The Parties agree that the following time limitations shall govern the arbitration conducted under the terms of this Agreement:
  - (i). A demand for arbitration must be filed with the other party by certified mail within thirty (30) days of the date the Indemnified Party receives written notice of a dispute, or if the parties are engaged in negotiations, within ten (10) days after the cessation of such negotiations without an agreement, whichever is later.
  - (ii). The arbitration hearing shall be held within thirty (30) days of the selection of the three arbitrators or according to the schedule established by the arbitrators.
  - (iii). The decision of the arbitrators may be filed in Calhoun County State District Court. An award upon the arbitrators' decision may be rendered by such court.
- E. *Expense of Arbitration:* Arbitration expenses, including fees and expenses of attorneys, experts and arbitrators, shall be borne in such proportion as the arbitrators deem appropriate. If not addressed by the arbitrators in their decision, each party shall bear such expenses as it incurs and each party shall share equally in paying the fees and expenses charged by the three arbitrators.

## 8.0 FINANCIAL INFORMATION

As part of its obligations under this Agreement, Alcoa agrees to provide to the CCND on an annual basis, a copy of its audited financial statement (to include income and expense statements as well as balance sheets) within 120 days of the date that Alcoa's Annual Report (including audited financial statements) becomes available, or upon the request of the CCND, to provide the CCND with a copy of Alcoa's most recent Annual Report (including audited financial statements).

## 9.0 OTHER TERMS AND CONDITIONS

- 9.1 The Parties executing this Agreement warrant that the person signing on their behalf is fully authorized to do so. Alcoa further represents, covenants and warrants that it has taken all necessary corporate action to approve and effectuate the terms and provisions of this Agreement. Likewise, the CCND represents, covenants, and warrants that it has taken all necessary action to approve and effectuate the terms and provisions of this Agreement, including approval of the terms and provisions of this Agreement in accordance with the provisions of the Texas Open Meetings Act.
- 9.2 The Parties may execute separate copies of the Agreement and, upon such execution, the copies shall together constitute an original counterpart. All such executed counterparts shall together constitute a single instrument.
- 9.3 This Agreement relates to and concerns acts and events taking place in, or lands located in, Texas and shall be interpreted, construed, and enforced in accordance with the laws of the State of Texas. Except as otherwise specifically provided for in the Settlement Agreement or the attached Appendices, venue for actions to interpret or enforce this Agreement shall be in state district court in Calhoun County, Texas or federal district court for the Southern District of Texas, Victoria Division.
- 9.4 Each of the Parties executing this Agreement acknowledges their receipt and understands their content.
- 9.5 The Parties acknowledge that this Agreement is fully supported by consideration.
- 9.6 If any of the provisions of this Agreement shall for any reason become or be held invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not effect the other provisions contained herein.
- 9.7 This Agreement shall be binding upon and inure to the benefit of each of the Parties and their affiliates, subsidiaries, parent companies, heirs, assigns, and successors in interest.
- 9.8 Unless otherwise provided herein, any notice, tender, or delivery to be given hereunder by either Party may be effectuated by personal delivery in writing or by registered or certified mail, postage prepaid, return receipt requested, and shall be deemed to have been given as of the date the same is deposited into the mail. Mailed notices shall be addressed as set forth below, but each party may change its address by written notice in accordance with this paragraph.



*If to CCND or any Indemnified Parties:*

Port Director  
Calhoun County Navigation District  
P.O. Box 397  
Point Comfort, Texas, 77978

*If to Alcoa:*

Director, Remediation  
Alcoa Inc.  
201 Isabella Street  
Pittsburgh, PA 15212-5858

*With  
copies to*

Alcoa Remediation Work Group  
Lavaca Bay Project Manager  
P.O. Box 101  
Point Comfort, TX 77978-0101

*and*

Legal Department  
Alcoa Inc.  
201 Isabella Street  
Pittsburgh, PA 15212-5858

- 9.9 This Agreement expressly incorporates by reference the Settlement Agreement and Appendices attached thereto entered into by the CCND and Alcoa, Inc. dated January 31, 2002 (the "Settlement Agreement").

*[The remainder of this page intentionally left blank; signature page follows]*

IN WITNESS HEREOF, the CCND and Alcoa execute this Agreement as of the 31  
day of January, 2002.

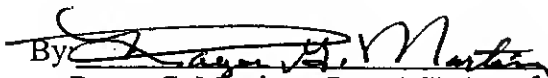
"Alcoa"

ALCOA INC.

"CCND"

CALHOUN COUNTY NAVIGATION DISTRICT

By: \_\_\_\_\_  
John Sibley, Vice President

By:  \_\_\_\_\_  
Roger G. Martinez, Board Chairman

IN WITNESS HEREOF, the CCND and Alcoa execute this Agreement as of the 31  
day of January, 2002.

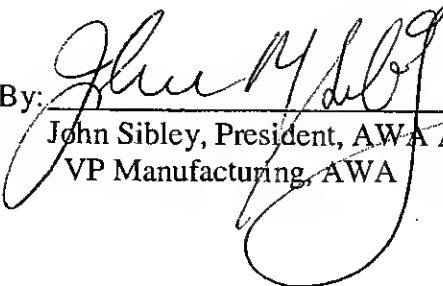
"Alcoa"

ALCOA INC.


"CCND"

CALHOUN COUNTY NAVIGATION DISTRICT

By:

  
John Sibley, President, AWA Atlantic and  
VP Manufacturing, AWA

By:

  
Roger G. Martinez, Board Chairman

## **PURCHASE AND SALE AGREEMENT FOR HARBOR AND BEAN TRACTS**

This Purchase and Sale Agreement is entered into by and between **Alcoa World Alumina LLC** (hereinafter "Alcoa" or "Seller"), a limited liability company organized and existing under the laws of the State of Delaware, and the **Calhoun County Navigation District** (hereinafter "CCND" or "Buyer"), a navigation district duly formed under the laws of the State of Texas, concerning tracts of real property of 5.23 acres (the "Harbor Tract") and 84.1 acres (the "Bean Tract"). The Harbor Tract is more particularly described by metes and bounds on Exhibit 1 and the Bean Tract is more particularly described by metes and bounds on Exhibit 2. The Harbor Tract and the Bean Tract are collectively referred to herein as the "Subject Property."

Seller agrees to sell and Buyer agrees to buy the Subject Property pursuant to the following terms and conditions:

### **1. INCORPORATION BY REFERENCE AND EFFECTIVE DATE.**

This Agreement expressly incorporates by reference the Settlement Agreement and Appendices attached thereto entered into by the CCND and Alcoa, Inc. dated January 31, 2002 (the "Settlement Agreement"). Closing of the transactions described herein shall occur simultaneously with the execution and delivery of the Settlement Agreement by the Parties.

### **2. CONSIDERATION.**

This Agreement is fully supported by good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties.

### **3. REMOVAL OF CERTAIN IMPROVEMENTS AND DEBRIS; RESERVED EASEMENT.**

- (a) Upon receiving ninety (90) days written notice from Buyer, but in no event later than December 31, 2002, Seller shall remove the above ground petroleum storage tank located in the northeast corner of the Harbor Tract and dispose of its contents at Seller's sole cost and in compliance with all local, state, and federal laws. The aforementioned ninety (90) day period may be extended by written agreement of the Parties.
- (b) Upon receiving ninety (90) days written notice from Buyer, but in no event later than December 31, 2002, Seller shall remove or cause to be removed the electric transmission power line (the "Power Line") located above the Harbor Tract at Seller's sole cost and in compliance with all local, state, and federal laws. In the event that Seller replaces or relocates the Power Line in order to continue electric service from the Power Line to Seller's or Seller's affiliates' property or operations, Seller shall have no obligation hereunder or otherwise to replace or restore electric service now provided by the Power Line to Buyers' property or operations. The aforementioned ninety (90) day period may be extended by written agreement of the Parties.

- (c) A pipeline used by Seller and/or its affiliates for the movement of dredge spoil slurry is located on, in or under and runs across a part of the Harbor Tract (the "Dredge Line"). The Harbor Tract will be conveyed subject to the reservation in favor of Seller (or any of its affiliates that it may nominate) of an easement extending twenty feet (20') either side of the centerline of the Dredge Line as the same crosses the Harbor Tract. Said easement shall be for a term extending through December 31, 2002, and shall be for the purpose of locating, operating, maintaining, repairing and removing the Dredge Line, and shall provide for the right of access by Seller and its affiliates over and upon the Harbor Tract as necessary to fulfill the purposes for which the easement is granted. Prior to conducting any operations involving the Dredge Line (other than emergency repairs or routine inspections and light maintenance), Seller shall give Buyer at least three (3) business days written or telephonic notice to the Port Director; said notice shall indicate the date the operations shall commence and the nature of said operations. On or before the expiration of the term of the easement, Seller shall remove the Dredge Line at Seller's sole cost and in compliance with all local, state, and federal laws.
- (d) Upon receiving ninety (90) days written notice from Buyer, but in no event later than December 31, 2002, Seller shall remove from the Bean Tract the "shot blast," asbestos tiles and, to the extent located on upland areas of the Bean Tract, metal shavings identified on Exhibit 3 attached hereto at Seller's sole cost and in compliance with all local, state and federal laws. The aforementioned ninety (90) day period may be extended by written agreement of the parties.

#### **4. TITLE AND INSPECTION PERIOD.**

- (a) Prior to Closing, Seller agrees to disclose the existence and terms of, and provide copies of, any and all leases, contracts, and agreements between Alcoa or any of its affiliates and Plains Scurlock Permian, L.P. and between any of them and Neumin Production Company and their respective predecessors and/or successors in interest. Buyer shall not close on the Subject Property until it has received and reviewed said leases, contracts, and agreements.
- (b) As soon as reasonably practical, but in no event later than ten (10) days prior to Closing, Seller agrees to disclose any and all environmental phase studies, environmental assessments, or other environmental due diligence reviews in its possession that have been conducted on, for, or that relate to the Subject Property ("Environmental Studies") including, but not limited to, Environmental Studies in any way related to the above ground petroleum storage tank, the Dredge Line, the Power Lines, the shot blast, the metal shavings and asbestos tiles or other debris identified in Exhibit 3 hereto and any PCBs or underground petroleum storage tanks located in, on or under the Bean Property. Environmental Studies do not include those studies prepared and made publicly available pursuant to U.S. EPA Docket No. 6-11-94. Seller may make disclosure of the Environmental Studies by providing Buyer and/or its agents with physical access to the location or locations where such information and documentation is

stored so that Buyer or its agents may make such copies and extracts thereof as it may require.

- (c) Buyer acknowledges that it has, prior to closing, been afforded the opportunity to conduct such physical inspections, tests and studies of the Subject Property as it has deemed necessary.
- (d) Seller shall deliver to Buyer at least ten (10) days prior to Closing, a Commitment for Title Insurance (the "Commitment") issued by Coastal Title Company of Port Lavaca, Texas (the "Title Company") and covering the Subject Property. If Buyer has an objection to Seller's title to the Subject Property as disclosed in the Commitment or on any boundary line survey of the Subject Property that Buyer may commission, it may raise the same in a writing sent to Seller at least seven (7) days prior to Closing. If it does so, Seller shall exercise reasonable diligence to cure such title objections (but Seller shall not be obliged to successfully effect cure of the same, and in any event shall not be obligated to expend any material amount of money or institute any litigation in attempting to effect such cure). If Seller does not successfully cure any such title objection by Closing, Buyer may terminate this Contract without the payment of any termination fee or other penalty. If Buyer does not timely notify Seller of title objections and does not otherwise elect to terminate this Contract prior to Closing, then Buyer shall be deemed to have waived any unsatisfied title objections and to have approved and found the Commitment, any survey and all other matters to its satisfaction hereunder and Buyer shall take fee title to the Property subject to all such matters, and Buyer may not thereafter refuse to consummate the sale contemplated by this Contract or claim any failure of Seller's obligations under this Contract solely because of any such matters. Any items as to which Buyer does not object in writing prior to Closing shall be deemed to be permitted exceptions to the conveyance of the Subject Property at closing of the fee conveyance transaction contemplated hereby.

##### **5. AS - IS / WHERE - IS CONVEYANCE.**

- (a) BUYER ACKNOWLEDGES AND AGREES THAT BUYER IS EXPERIENCED IN THE OWNERSHIP AND OPERATION OF PROPERTIES SIMILAR TO THE SUBJECT PROPERTY AND THAT BUYER PRIOR TO THE CLOSING DATE WILL HAVE CAUSED THE PROPERTY TO BE INSPECTED, ASSESSED AND TESTED BY QUALIFIED PERSONS OF ITS CHOOSING AND SHALL HAVE DETERMINED TO ITS SATISFACTION THAT IT DESIRES TO PROCEED WITH THE ACQUISITION THEREOF NOTWITHSTANDING ANY CONDITION EXISTING ON OR AFFECTING THE PROPERTY (INCLUDING BUT NOT LIMITED TO ANY ENVIRONMENTAL CONDITION), WHETHER OR NOT DISCLOSED BY BUYER'S INSPECTIONS, ASSESSMENTS AND/OR TESTING. BUYER HEREBY AGREES TO ACCEPT THE PROPERTY ON THE CLOSING DATE IN ITS "AS-IS, WHERE IS" CONDITION AND WITH ALL FAULTS, AND WITHOUT REPRESENTATIONS AND WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW,

EXCEPT FOR SELLER'S SPECIAL WARRANTY OF TITLE CONTAINED IN THE DEED TRANSFERRING TITLE IN THE SUBJECT PROPERTIES, AND THE LIMITED WARRANTIES OF SELLER CONTAINED IN SECTION 6 HEREOF.

- (b) It is specifically agreed that the provisions of this paragraph shall survive the closing, and the undertakings and understanding of Buyer as expressed herein shall not be merged in the conveyance contemplated by this Agreement. Buyer agrees to execute and deliver to Seller at the Closing, written certification of its acknowledgements and agreements hereunder and of the continuing validity and effect of the same.

#### **6. LIMITED ENVIRONMENTAL WARRANTIES OF SELLER.**

Buyer acknowledges that Seller has commissioned the Environmental Studies for its own purposes in the operation of its businesses and its own activities upon and with respect to the Property. Seller has relied upon them for those purposes alone, and then only as and to the extent it may have deemed appropriate from time to time. **THE ENVIRONMENTAL STUDIES WERE NOT PREPARED IN CONTEMPLATION OF THE TRANSACTION HEREIN DESCRIBED.** Seller warrants:

- (a) that, other than as may be identified in the Environmental Studies, it is not aware of existing environmental conditions on the Property which would require remediation under existing law; and
- (b) that, other than as may be identified in the Environmental Studies or otherwise disclosed to Buyer, it has received no notice of pending legal proceedings, including lawsuits, arbitrations, enforcement proceedings, investigations or administrative hearings, instituted by any third party, including, but not limited to, any federal, state or local governmental entity, requiring remediation and relating to any Hazardous Substance alleged to be present upon, or contained, used, manufactured, handled, created, stored, treated, discharged, released, disposed of or buried on the Subject Property or transported to or from the Subject Property, and to the best of Seller's knowledge, no such proceedings have been threatened.

**THE FOREGOING NOTWITHSTANDING, SELLER DOES NOT WARRANT THE ACCURACY OR COMPLETENESS OF ANY OF THE INFORMATION CONTAINED IN THE ENVIRONMENTAL STUDIES; BUYER MAY CHOOSE TO CONDUCT ITS OWN STUDIES AND ASSESSMENTS, AND SHOULD DO SO UNLESS IT INDEPENDENTLY CONCLUDES THAT ITS RELIANCE ON THE INFORMATION CONTAINED IN THE ENVIRONMENTAL STUDIES IS JUSTIFIED.** For purposes of this paragraph 6, the term "Hazardous Substance" shall mean any hazardous substance, hazardous material, or toxic substance, as such terms are defined in CERCLA (42 U.S.C.A. 9601 et seq., the Hazardous Materials Transportation Act (49 U.S.C. Sec. 1801, et. seq.); the Solid Waste Disposal Act as amended by the Resource Conservation and Recovery Act (42 U.S.C.A. 6901, et seq.) and the Toxic Substances Control Act (15 U.S.C.A. 2601, et seq.).

## **7. CLOSING AND DELIVERIES.**

The closing of the sale (the "Closing") shall take place at the Title Company on or before January 31, 2002 (the "Closing Date"), unless such date is changed in writing by Seller and Buyer, or otherwise extended as provided in this Contract. At the Closing, Seller shall deliver to Buyer, at Seller's sole cost and expense, the following:

- (a) duly executed and acknowledged Special Warranty Deeds (the "Deeds") conveying good and indefeasible title in fee simple to all of the Subject Property, subject to the reservation described in Section 3(c) hereof and all matters constituting permitted encumbrances hereunder (including those matters appearing on the Title Commitment or any survey to which Buyer made no timely objection under the provisions of Section 4(d) above);
- (b) an Owner's Policy (or Policies) of Title Insurance (the "Title Policy") issued by an insurer represented by the Title Company and otherwise reasonably acceptable to Seller, in the amount of \$250,000 (or a greater amount if required by the Title Company), dated as of the Closing Date, insuring Buyer's fee simple title to the Subject Property to be good and indefeasible subject only to those title exceptions permitted herein, those exceptions reflected in any survey commissioned by Buyer and provided to and accepted by the Title Company, the permitted exceptions, and the standard printed exceptions contained in the usual form of the Title Policy;
- (c) furnish evidence of its capacity and authority for the closing of this transactions; and
- (d) execute all other necessary documents to close this transaction.

At the Closing, Buyer shall (a) furnish evidence of its capacity and authority for the closing of this transaction; and (b) execute all other necessary documents to close this transaction.

## **8. SALE EXPENSES.**

At or prior to the Closing, Seller shall be responsible for paying all fees for recording of releases or other curative instruments; the Title Policy; tax statements; any escrow fee; preparation of the Deed; any survey that Buyer may have elected to have made or performed; copies of documents containing restrictions, easements, reservations, or other matters affecting the Property; and other expenses stipulated to be paid by Seller under other provisions of this Contract.



## 9. DEFAULT AND REMEDIES.

If any Party fails in any material respect to perform any of its obligations under this Agreement, the non-breaching party shall be entitled to – following written demand for performance stating, with reasonable specificity the breach or default alleged and affording a period of at least thirty (30) days in which to effect cure – exercise any or all remedies available to it at law or in equity, including the right to seek specific performance hereof.

## 10. OTHER TERMS AND CONDITIONS.

- (a) The Parties executing this Agreement warrant that the person signing on their behalf is fully authorized to do so. Alcoa further represents, covenants and warrants that it has taken all necessary corporate action to approve and effectuate the terms and provisions of this Agreement. Likewise, the CCND represents, covenants, and warrants that it has taken all necessary action to approve and effectuate the terms and provisions of this Agreement, including approval of the terms and provisions of this Agreement in accordance with the applicable provisions of the Texas Open Meetings Act, if any.
- (b) The Parties may execute separate copies of the Agreement and, upon such execution, the copies shall together constitute an original counterpart. All such executed counterparts shall together constitute a single instrument.
- (c) This Agreement relates to lands located in Texas and shall be interpreted, construed, and enforced in accordance with the laws of the State of Texas. Venue for actions to interpret or enforce this Agreement shall be in state district court in Calhoun County, Texas or in federal district court for the Southern District of Texas, Victoria Division.
- (d) The attached Exhibits are specifically incorporated by reference. Each of the Parties executing this Agreement acknowledges its receipt and understands its content.
- (e) The Parties acknowledge that this Agreement is fully supported by consideration.
- (f) If any of the provisions of this Agreement shall for any reason become or be held invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not effect the other provisions contained herein.
- (g) This Agreement shall be binding upon and inure to the benefit of each of the Parties and their affiliates, subsidiaries, parent companies, heirs, assigns, and successors in interest.

*[Signature page follows]*

EXECUTED this 31 day of January, 2002

"Alcoa"

ALCOA WORLD ALUMINA LLC

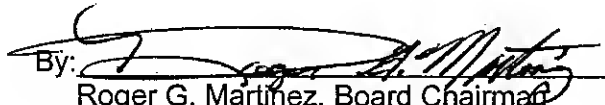
"CCND"

CALHOUN COUNTY NAVIGATION DISTRICT

By: \_\_\_\_\_

John Sibley, Vice President

By: \_\_\_\_\_

  
Roger G. Martinez, Board Chairman

EXECUTED this 3 day of January, 2002

"Alcoa"

ALCOA WORLD ALUMINA LLC

"CCND"

CALHOUN COUNTY NAVIGATION DISTRICT

By: 

John Sibley, Vice President

By: \_\_\_\_\_

Roger G. Martinez, Board Chairman

5.23 Acres, More Or Less

Part of the Thomas Cox  
Survey, A-10, Calhoun  
County, Texas.

STATE OF TEXAS

§

COUNTY OF CALHOUN

§

DESCRIPTION of a tract or parcel of land containing 5.23 acres, more or less, situated in and a part of the Thomas Cox Survey, A-10, Calhoun County, Texas. Said 5.23 acres, more or less, described as being in and a part of that certain 3062.40 acres described as FIRST TRACT in a deed from H. C. Smith, et ux and W. H. Bauer, et ux to Aluminum Company of America dated May 20, 1948 and recorded in Volume 61, Pages 321-326 of the Calhoun County Deed Records. This 5.23 acres, more or less, is more fully described by metes and bounds as follows:

BEGINNING at a 5/8 iron rod with a red plastic cap set for corner at the point of intersection of the South line of the aforesaid 3062.40 acre, FIRST TRACT, with the West line of a 13.90 acre tract, more or less, as described in a deed from Aluminum Company of America to the Calhoun County Navigation District and recorded in Volume 155, Pages 549-553 of the Calhoun County Deed Records: Said 5/8 inch iron rod set for corner bears N 01° 16' 29" W, a distance of 124.27 feet from the Southwest corner of the said 13.90 acre tract and having Grid coordinates of N 13,426,948.96 and E 2,752,075.29;

THENCE, N 88° 15' 00" W ( Base Bearing), a distance of 318.66 feet to a 5/8 inch iron rod with a red plastic cap set for a corner marking a point of angle to the left in the South line of the aforesaid 3062.40 acre, FIRST TRACT;

THENCE, S 83° 10' 00" W, a distance of 841.67 feet to a 5/8 inch iron rod with a red plastic cap set for corner at a point of angle to the right in the South line of the aforesaid 3062.40 acre, FIRST TRACT;

THENCE, N 75° 00' 00" W, a distance of 265.95 feet to a 5/8 inch iron rod with a red plastic cap set for the West corner of this tract and being at the point of intersection of the Southwestward projection of the South line of a 2.4 acre lease tract from Aluminum Company of America to Scurlock Oil Company;

THENCE, N 88° 29' 24" E, passing at 350.94 feet the Southwest corner of the aforementioned 2.4 acre lease tract and for a TOTAL DISTANCE of 722.31 feet to a 5/8 inch iron rod with a red plastic cap set for an interior corner of this tract and also being the most Southeast corner of said 2.4 acre lease tract;

THENCE, with the common line between this tract and the aforesaid 2.4 acre lease tract, along the following courses and distances:

N 01° 53' 08" W, a distance of 194.00 feet  
to a 5/8 inch iron rod with a red plastic cap  
set for corner;

N 88° 06' 52" E, a distance of 110.00 feet  
to a 5/8 inch iron rod with a red plastic cap  
set for corner;

AND N 01° 53' 08" W, a distance of 53.93  
feet to a 5/8 inch iron rod with a red plastic cap set for corner in the most Easterly  
line of the aforesaid 2.4 acre lease tract;

THENCE, N 89° 04' 24" E, a distance of 272.20 feet to a 5/8 inch iron rod with a red  
plastic cap set for corner next to the edge of some existing concrete paving;

THENCE, along the edge of said existing concrete paving with the following courses and distances:

N 53° 33' 45" E, 125.80 feet;

N 68° 37' 42" E, 27.79 feet;

N 80° 07' 33" E, 22.31 feet;

N 85° 22' 53" E, 21.95 feet;

AND S 88° 57' 41" E, a distance of 136.45 feet to a 5/8 inch iron rod with a red plastic cap set for corner;

THENCE, S 01° 16' 29" E, passing at 89.73 feet the Northwest corner of the aforementioned 13.90 acre Calhoun County Navigation District tract and for a TOTAL DISTANCE of 346.27 feet to the PLACE OF BEGINNING; CONTAINING within these metes and bounds 5.23 acres, more or less, situated in and a part of the Thomas Cox Survey, A-10, Calhoun County, Texas.

The foregoing DESCRIPTION was prepared from an actual on the ground survey made under my direction and supervision in December 2000, and is true and correct to the best of my knowledge and belief.



A handwritten signature in black ink, appearing to read "Telmond E. Tuch", written over a horizontal line.

TELMOND E. TUCH  
REGISTERED PROFESSIONAL LAND SURVEYOR  
NO. 1840

- NOTE:
1. Bearings based on the recorded Deed in Volume 61, Pages 321-326, Calhoun County Deed Records.
  2. Corners are as shown on accompanying survey plat.
  3. Coordinates for P. O. B. are NAD 83 coordinates based on Mitchell 2, having the following coordinate values:  
N = 13,426,970.81 and E = 2,750,670.13

# THOMAS COX SURVEY

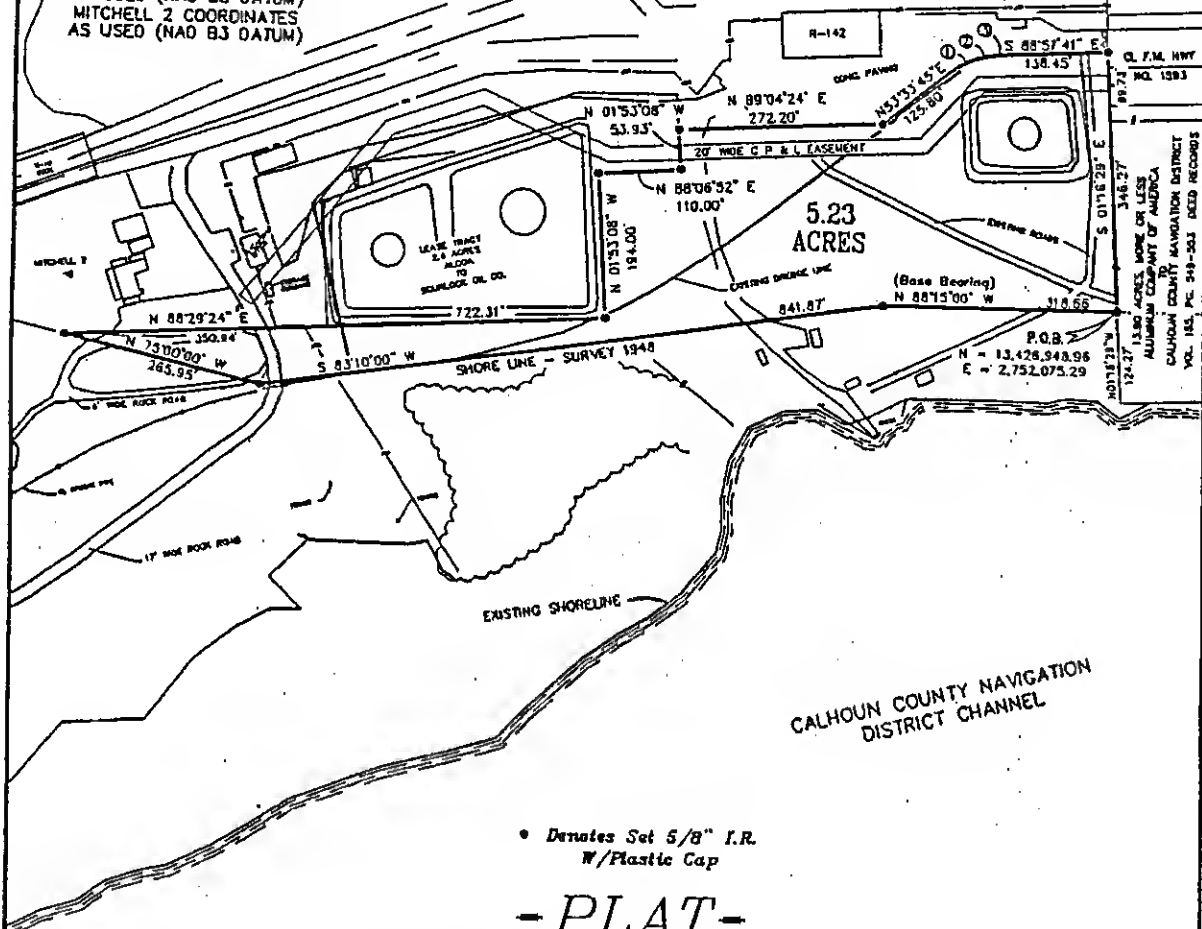
A-10

ALCOA PLANT SITE

3062.40 ACRES, FIRST TRACT  
H. C. SMITH, et ux AND W. H. BAUER, et ux  
TO  
ALUMINUM COMPANY OF AMERICA  
VOL. 61, PG. 321-328 DEED RECORDS  
MAY 20, 1948

MITCHELL 2 COORDINATES  
AS USED (NAD 83 DATUM)  
MITCHELL 2 COORDINATES  
AS USED (NAD 83 DATUM)

- ① N 68°37'42" E  
27.79'
- ② N 80°07'33" E  
21.31'
- ③ N 83°22'53" E  
21.95'



I, TELMOND E. TUCH, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THAT THE PLAT SHOWN HEREON REPRESENTS THE RESULTS OF AN ON THE GROUND SURVEY MADE UNDER MY DIRECTION AND SUPERVISION IN DECEMBER 2000, AND THAT CORNERS ARE AS SHOWN HEREON.



*T. E. TUCH*  
TELMOND E. TUCH  
REGISTERED PROFESSIONAL LAND SURVEYOR  
NO. 1840

- NOTE: 1) METES AND BOUNDS DESCRIPTION PREPARED WITH THIS DRAWING.  
2) BEARINGS ARE BASED ON THE RECORDED DEED IN VOL. 61, PG. 321-328.  
3) NO EASEMENTS WERE LOCATED OTHER THAN THOSE SHOWN HEREON.  
4) COORDINATES SHOWN HEREON ARE NAD 83 DATUM.

G & W ENGINEERS, INC.

205 W. LIVEOAK 1-361-552-4509 PORT LAVACA, TEXAS

BEING 5.23 ACRE, MORE OR LESS, SITUATED IN AND PART OF THE THOMAS COX SURVEY, A-10, CALHOUN COUNTY, TEXAS.

dwg. by: O.W.D. record'd by: T.E.T. date: DEC. 08, 2000 scale: 1" = 200' job no.: 9252-411 drawing no.: 07532100

82.92 ACRE TRACT  
FIELDNOTE DESCRIPTION

STATE OF TEXAS )

COUNTY OF CALHOUN )

Being 82.92 acres situated in and a part of the Thomas Cox Survey, Abstract No. 10, Calhoun County, Texas. Said 82.92 acres is a portion of a 65.8953 acre tract described as Tract One ( page 17 ), a 12.0473 acres tract described as Tract Four ( page 20 ), a 26.91 acres of land described as Tract One ( page 22 ), and a 26.91 acres described as Tract Two (page 22) in a Special Warranty Deed from Aluminum Company of American to Alcoa Alumina & Chemical, L.L.C., recorded in Volume 139, Page 01 of the Calhoun County, Texas. This 82.92 acres is more fully described by metes and bounds as follows;

BEGINNING at a 5/8 inch iron rod found in the North line State Highway No. 35 for the Southeast corner of the herein described 82.92 acres, also being the Southwest corner of that certain tract of land shown as Block "H" of the First Addition to Point Comfort Village Subdivision as shown on a plat recorded in Volume 2, Page 140 of the Plat Records of Calhoun County, Texas;

THENCE, S 59° 23' 29" W with the North line of State Highway No. 35 a distance of 2268.48 feet to a 5/8 inch iron rod set for a corner of this 82.92 acres;

THENCE, S 61° 48' 10" W with the North line of State Highway No. 35 a distance of 1335.14 feet to a 5/8 inch iron rod set in the shoreline of Lavaca Bay for the Southwest corner of the herein described 82.92 acres;

THENCE, with the shoreline of Lavaca Bay as follows;

N 37° 10' 54" E a distance of 99.68 feet;  
N 42° 51' 36" E a distance of 255.33 feet;  
N 26° 41' 08" E a distance of 138.69 feet;  
N 18° 33' 21" E a distance of 223.41 feet;  
N 12° 28' 43" E a distance of 230.72 feet;  
N 00° 45' 49" W a distance of 275.39 feet;  
N 19° 57' 11" W a distance of 164.73 feet;  
N 46° 18' 21" W a distance of 221.81 feet;  
N 05° 58' 15" W a distance of 165.29 feet to a the beginning of a dredged canal;

THENCE with the shoreline of said dredge canal as follows;

N 62° 04' 16" E a distance of 73.00 feet;  
S 86° 13' 00" E a distance of 130.85 feet;  
S 73° 46' 59" E a distance of 120.91 feet;  
S 39° 08' 26" E a distance of 473.24 feet;  
N 51° 29' 58" E a distance of 53.82 feet;  
N 09° 03' 32" W a distance of 72.30 feet;  
N 07° 37' 10" W a distance of 106.46 feet;  
N 00° 50' 14" E a distance of 217.13 feet;  
N 26° 30' 20" W a distance of 147.96 feet;  
N 46° 37' 30" E a distance of 147.29 feet;  
N 57° 50' 17" E a distance of 89.10 feet;  
S 80° 25' 33" E a distance of 161.97 feet;  
S 63° 06' 12" E a distance of 103.32 feet;  
N 42° 40' 01" E a distance of 41.14 feet;  
N 13° 48' 46" E a distance of 62.79 feet;  
N 67° 35' 52" W a distance of 214.76 feet;

N 73° 45' 19" W a distance of 138.22 feet;  
S 60° 37' 50" W a distance of 255.03 feet;  
S 40° 56' 17" W a distance of 221.31 feet;  
N 40° 27' 09" W a distance of 23.52 feet;  
N 05° 37' 21" E a distance of 39.64 feet;  
N 28° 12' 21" W a distance of 47.93 feet;  
N 53° 35' 02" W a distance of 217.08 feet;  
N 80° 21' 23" W a distance of 58.04 feet;  
S 79° 27' 59" W a distance of 115.51 feet;  
N 26° 52' 20" E a distance of 74.14 feet;  
N 16° 04' 58" E a distance of 91.95 feet to the  
shoreline of Lavaca Bay;

THENCE with the shoreline of Lavaca Bay as follows;

N 63° 21' 07" E a distance of 72.19 feet;  
N 81° 24' 30" E a distance of 173.43 feet;  
N 67° 44' 52" E a distance of 304.34 feet;  
N 89° 40' 48" E a distance of 45.72 feet;  
S 48° 13' 15" E a distance of 30.16 feet;  
N 89° 53' 36" E a distance of 251.11 feet;  
N 68° 43' 23" E a distance of 105.11 feet;  
N 54° 59' 08" E a distance of 109.14 feet;  
N 38° 27' 10" E a distance of 101.93 feet;  
N 26° 39' 51" E a distance of 199.54 feet;  
N 39° 34' 17" W a distance of 19.01 feet;  
N 50° 15' 59" E a distance of 49.43 feet;  
N 45° 02' 32" E a distance of 76.98 feet and  
S 18° 52' 03" E a distance of 30.43 feet to the

South corner of a 0.69 acre tract described in a Warranty Deed from  
Douglas B. Seabury to Larry William Robinson recorded in Volume 22,  
Page 756 of the Official Records of Calhoun County, Texas;

THENCE, S 55° 25' 37" E a distance of 289.67 feet to a 5/8 inch  
iron rod set in the extension of the Southeast line of Texas Avenue  
as shown on a plat of the Bay Front Addition to the City of Point  
Comfort as shown on a plat recorded in Volume 2, Page 122 of the  
Plat Records of Calhoun County, Texas;

THENCE, N 44° 31' 23" E ( deed reference line) with said Texas  
Avenue a distance of 135.00 feet to a 5/8 inch iron rod set in the  
Southwest line of said Point Comfort for a corner of the herein  
described 89.92 acres;

THENCE, S 55° 25' 37" E a distance of 1611.06 feet to the PLACE OF  
BEGINNING; containing within these metes and bounds 82.92 acres;



**EXHIBIT 2**  
**TO BE INSERTED**

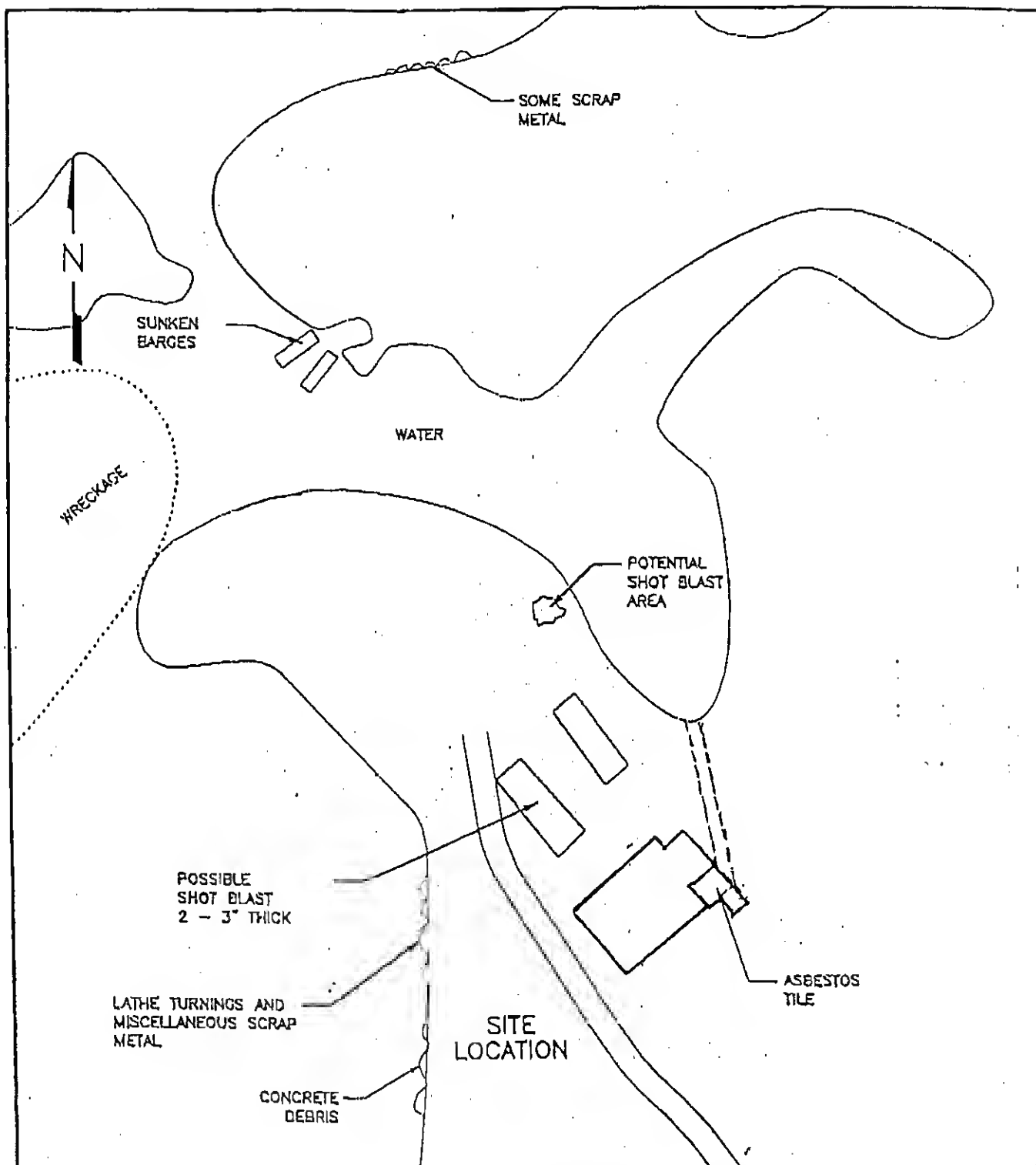
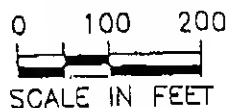


EXHIBIT 3 TO  
PURCHASE AND SALE AGREEMENT

LOCATIONS ARE APPROXIMATE



SMALL SCALE SITE MAP  
BEAN PROPERTY  
CALHOUN COUNTY  
NAVIGATION DIST.  
POINT COMFORT, TEXAS

**SPECIAL WARRANTY DEED CONVEYING HARBOR AND BEAN TRACTS**

STATE OF TEXAS                   §     KNOW ALL MEN BY THESE PRESENTS  
COUNTY OF CALHOUN           §

**WHEREAS**, Alcoa Inc. (hereinafter "Alcoa"), as part of that Settlement Agreement entered into by and between Alcoa and the **Calhoun County Navigation District** (hereinafter "CCND" or "Grantee") dated January 31, 2002, has determined to cause to be conveyed to the CCND those certain tracts or parcels of real property located in Calhoun County, Texas which are more fully described below; and

**WHEREAS**, such tract of land is owned by **Alcoa World Alumina LLC**, a Delaware limited liability company ("Grantor") and an affiliate of Alcoa;

**NOW THEREFORE**, Grantor for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, **GRANTS, SELLS, and CONVEYS** unto the CCND, a navigation district duly formed and existing under the laws of the State of Texas, whose mailing address is P.O. Box 397, Point Comfort, Texas 77978, those two certain tracts of real property referred to, respectively, as the Harbor Tract (comprising 5.23 acres), and the Bean Tract (comprising 84.1 acres), said tracts both being more particularly described in Exhibit 1 attached hereto (collectively, the "Subject Property");

It is expressly understood and agreed that this conveyance is made pursuant to the terms of the Purchase and Sale Agreement (the "Sale Contract") attached as Appendix D to the Settlement Agreement entered into by and between CCND and Alcoa and dated January 31, 2002 (the "Settlement Agreement"). This conveyance shall be effective as of the Effective Date provided for in the Settlement Agreement.

There is, however, **RESERVED** unto Grantor from the conveyance here made an easements and rights-of-way over and upon the Subject Property at each of the two locations specified below and upon all of the terms, conditions and limitations set forth in the succeeding numbered paragraphs of this instrument.

**1.     SLURRY PIPELINE TERM EASEMENT.**

(a)     **TERM OF SLURRY PIPELINE EASEMENT.** The easement and right-of-way reserved and described in this numbered Paragraph 1 (the "Slurry Pipeline Easement") is for a term ending on December 31, 2002.

(b)     **LOCATION.** The Slurry Pipeline Easement covers and affects the lands in and upon which lies the existing spoil slurry pipeline that crosses the Harbor Tract (the "Dredge Line"), together with those lands lying

twenty feet (20') to either side of the centerline thereof, and also to those portions of the Harbor Tract that are necessary to afford access to and from the easement and the Dredge Line to the degree required to carry out the purposes for which the easement is reserved.

(c) **PURPOSES OF EASEMENT.** The Slurry Pipeline Easement, with all of its rights and privileges, shall be for the purpose of locating, operating, maintaining, repairing and removing the Dredge Line.

2. **RIGHTS OUTSIDE OF EASEMENTS.** This instrument does not grant or reserve rights in or to the Harbor Tract outside of the locations of the Slurry Pipeline Easement specified in this instrument.

3. **NOTICE OF ENTRY.** Except in the case of emergency or otherwise where imminent harm to life or property is threatened, Grantor shall give prior notice of its intention to enter upon the Harbor Tract in connection with the exercise of rights reserved to it hereunder. Such notice shall be given a reasonable time before such entry. Twenty-four (24) hours or more shall, for these purposes, be presumed reasonable notice.

**TO HAVE AND TO HOLD** the above described lands, together with all the rights, improvements, and appurtenances lawfully accompanying it, unto Grantee and the Grantee's successors and assigns forever, and Grantor binds itself and Grantor's successors and assigns to warrant and forever defend the property against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through, or under Grantor, but not otherwise.

**GRANTEE ACCEPTS THE CONVEYANCE OF THE SUBJECT PROPERTY IN ITS "AS-IS, WHERE IS" CONDITION, WITH ALL FAULTS, AND WITHOUT REPRESENTATIONS AND WARRANTIES OF ANY KIND, EXPRESS, IMPLIED OR ARISING BY OPERATION OF LAW, EXCEPT FOR GRANTOR'S SPECIAL WARRANTY OF TITLE HEREIN, AND THE LIMITED EXPRESS WARRANTIES OF GRANTOR CONTAINED IN SECTION 6 OF THE SALE CONTRACT, TO WHICH REFERENCE IS HERE MADE FOR ALL PURPOSES.**

This conveyance is further made subject to all covenants, conditions, reservations, rights-of-way, easements, encumbrances and any other matters, if any, to the extent that the same are valid and of record, or visible and apparent upon the ground of the Subject Property.

EXECUTED effective as of the 30<sup>th</sup> day of January, 2002.

"Grantor"

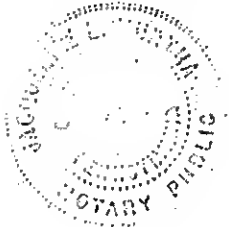
ALCOA WORLD ALUMINA LLC

By: John M. Sibley  
John Sibley, Vice President

COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF ALLEGHENY

§  
§

This instrument was acknowledged before me on January 30<sup>th</sup>, 2002 by John Sibley, Vice President of Alcoa World Alumina LLC, a Delaware limited liability company, on behalf of said company.



Jacqueline L. Murtha  
Notary Public, State of \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Commission Expires: \_\_\_\_\_  
Notarial Seal  
Jacqueline L. Murtha, Notary Public  
Pittsburgh, Allegheny County  
My Commission Expires Jan. 24, 2003  
Member, Pennsylvania Association of Notaries

5.23 Acres, More Or Less

Part of the Thomas Cox  
Survey, A-10, Calhoun  
County, Texas.

STATE OF TEXAS §

COUNTY OF CALHOUN §

DESCRIPTION of a tract or parcel of land containing 5.23 acres, more or less, situated in and a part of the Thomas Cox Survey, A-10, Calhoun County, Texas. Said 5.23 acres, more or less, described as being in and a part of that certain 3062.40 acres described as FIRST TRACT in a deed from H. C. Smith, et ux and W. H. Bauer, et ux to Aluminum Company of America dated May 20, 1948 and recorded in Volume 61, Pages 321-326 of the Calhoun County Deed Records. This 5.23 acres, more or less, is more fully described by metes and bounds as follows:

BEGINNING at a 5/8 inch iron rod with a red plastic cap set for corner at the point of intersection of the South line of the aforesaid 3062.40 acre, FIRST TRACT, with the West line of a 13.90 acre tract, more or less, as described in a deed from Aluminum Company of America to the Calhoun County Navigation District and recorded in Volume 155, Pages 549-553 of the Calhoun County Deed Records. Said 5/8 inch iron rod set for corner bears N 01° 16' 29" W, a distance of 124.27 feet from the Southwest corner of the said 13.90 acre tract and having Grid coordinates of N 13,426,948.96 and E 2,752,075.29;

THENCE, N 88° 15' 00" W (Base Bearing), a distance of 318.66 feet to a 5/8 inch iron rod with a red plastic cap set for a corner marking a point of angle to the left in the South line of the aforesaid 3062.40 acre, FIRST TRACT;

THENCE, S 83° 10' 00" W, a distance of 841.67 feet to a 5/8 inch iron rod with a red plastic cap set for corner at a point of angle to the right in the South line of the aforesaid 3062.40 acre, FIRST TRACT;

THENCE, N 75° 00' 00" W, a distance of 265.95 feet to a 5/8 inch iron rod with a red plastic cap set for the West corner of this tract and being at the point of intersection of the Southwestward projection of the South line of a 2.4 acre lease tract from Aluminum Company of America to Scurlock Oil Company;

THENCE, N 88° 29' 24" E, passing at 350.94 feet the Southwest corner of the aforementioned 2.4 acre lease tract and for a TOTAL DISTANCE of 722.31 feet to a 5/8 inch iron rod with a red plastic cap set for an interior corner of this tract and also being the most Southeast corner of said 2.4 acre lease tract;

THENCE, with the common line between this tract and the aforesaid 2.4 acre lease tract, along the following courses and distances:

N 01° 53' 08" W, a distance of 194.00 feet  
to a 5/8 inch iron rod with a red plastic cap  
set for corner;

N 88° 06' 52" E, a distance of 110.00 feet  
to a 5/8 inch iron rod with a red plastic cap  
set for corner;

AND N 01° 53' 08" W, a distance of 53.93  
feet to a 5/8 inch iron rod with a red plastic cap set for corner in the most Easterly  
line of the aforesaid 2.4 acre lease tract;

THENCE, N 89° 04' 24" E, a distance of 272.20 feet to a 5/8 inch iron rod with a red  
plastic cap set for corner next to the edge of some existing concrete paving;

EXHIBIT 1

File #  
0072559

Vol  
300

Page  
4

THENCE, along the edge of said existing concrete paving with the following courses and distances:

N 53° 33' 45" E, 125.80 feet;

N 68° 37' 42" E, 27.79 feet;

N 80° 07' 33" E, 22.31 feet;

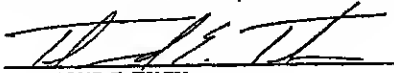
N 85° 22' 53" E, 21.95 feet;

AND S 88° 57' 41" E, a distance of 136.45 feet to a 5/8 inch iron rod with a red plastic cap set for corner;

THENCE, S 01° 16' 29" E, passing at 89.73 feet the Northwest corner of the aforementioned 13.90 acre Calhoun County Navigation District tract and for a TOTAL DISTANCE of 346.27 feet to the PLACE OF BEGINNING; CONTAINING within these metes and bounds 5.23 acres, more or less, situated in and a part of the Thomas Cox Survey, A-10, Calhoun County, Texas.

The foregoing DESCRIPTION was prepared from an actual on the ground survey made under my direction and supervision in December 2000, and is true and correct to the best of my knowledge and belief.



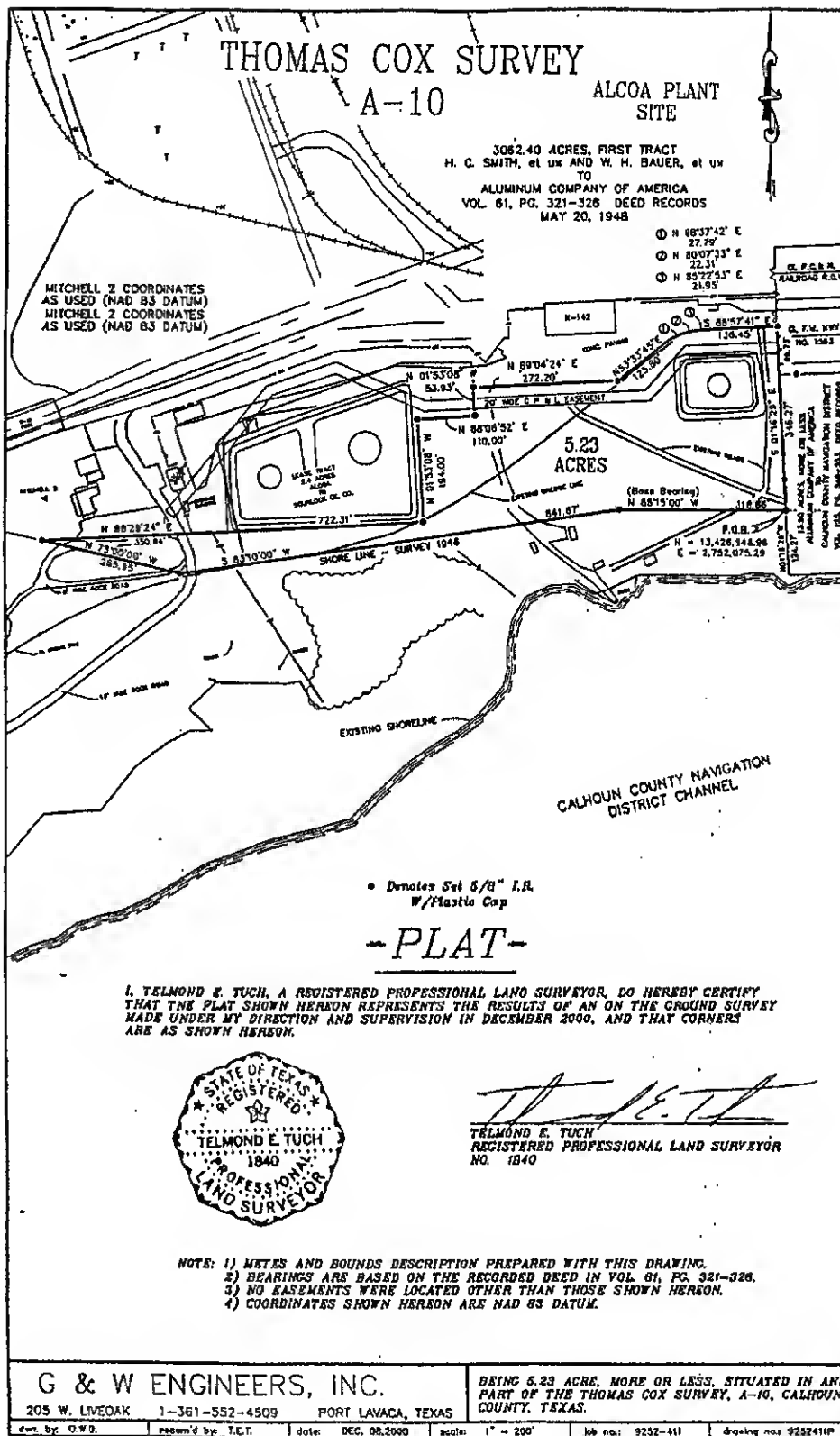
  
TELMOND E. TUCH  
REGISTERED PROFESSIONAL LAND SURVEYOR  
NO. 1840

- NOTE:
1. Bearings based on the recorded Deed in Volume 61, Pages 321-326, Calhoun County Deed Records.
  2. Corners are as shown on accompanying survey plat.
  3. Coordinates for P. O. B. are NAD 83 coordinates based on Mitchell 2, having the following coordinate values:  
N = 13,426,970.81 and E = 2,750,670.13

Job #9252.411

File #  
0072559

Vol Page  
300 5



G & W ENGINEERS, INC.				BEING 5.23 ACRES, MORE OR LESS, SITUATED IN AND PART OF THE THOMAS COX SURVEY, A-10, CALHOUN COUNTY, TEXAS.		
205 W. LIVEOAK	1-361-552-4509	PORT LAVACA, TEXAS				
drawn by: G.W.B.	revised by: T.E.T.	date: DEC. 08, 2000	scale: 1" = 200'	job no.: 9252-411	drawing no.: 9252411P	

Page 300  
 Vol 300  
 File # 0072559



**FIELDNOTE DESCRIPTION**  
**83.60 ACRES**

**STATE OF TEXAS            }**  
**COUNTY OF CALHOUN       }**

All of that certain tract or parcel containing 83.60 acres situated in the Thomas Cox Survey, Abstract No. 10, Calhoun County, Texas and being a part of the same property described as 65.8953 acres (First Tract) in Deed dated January 7, 1956 from Susie Coates, Thomas Lee Coates, Patricia M. Coates, Ruth Eleanor House, and Everett House to the Aluminum Company of America, recorded in Volume 110, Page 6 of the Deed Records of Calhoun County, Texas and also being the same property described as 2.614 acres in Deed dated October 21, 1959 from Bauer Dredging Company, Inc. to the Aluminum Company of America, recorded in Volume 157, Page 77 of the Deed Records of Calhoun County, Texas and also being a part of the same property described as 12.0473 acres (Tract 1) and as 26.91 acres (Tract 2) in Deed dated May 30, 1970 from Bauer Dredging Company, Inc. to the Aluminum Company of America, recorded in Volume 259, Page 441 of the Deed Records of Calhoun County, Texas. This 83.60 acres is more particularly described by metes and bounds as follows:

**BEGINNING** at an existing 5/8 inch iron rod located in the Northwest line of State Highway No. 35 and the Southwest line of Block "H" of the First Addition to the Point Comfort Village Subdivision according to the plat recorded in Volume Z, Page 140 of the Plat Records of Calhoun County, Texas and the Northeast line of the above mentioned 65.8953 acre tract and at the West corner of a 1.403 acre tract (Tract I) and at the North corner of a 2.164 acre tract (Tract IV), both being described in Deed recorded in Volume 118, Page 294 of the Deed Records of Calhoun County, Texas for the East corner of this 83.60 acres being described;

**THENCE** South 57° 59' 02" West, with the Northwest line of State Highway No. 35 and the Northwest line of the above mentioned 2.164 acre tract and the Northwest line of a 3.125 acre tract described in Volume J, Page 291 of the Commissioner's Court Minutes of Calhoun County, Texas and the Northwest line of a 0.429 acre tract described in Deed recorded in Volume 119, Page 153 of the Deed Records of Calhoun County, Texas and the Northwest line of a 1.252 acre tract also described in the above mentioned Commissioner's Court Minutes, a distance of 1508.59 feet to an existing 5/8 inch iron rod located in the Northeast line of the above mentioned 26.91 acre tract and at the West corner of the said 1.252 acre tract and at the South corner of the said 65.8953 acre tract and at the Southeast corner of a 3 acre tract described in Deed recorded in Volume 110, Page 6 of the Deed Records of Calhoun County, Texas and at the East corner of the above mentioned 2.614 acre tract and at the North corner of an 8.568 acre tract described in Volume J, Page 310 of the Commissioner's Court Minutes of Calhoun County, Texas and at an angle point in the Northwest line of State Highway No. 35 for a corner of this 83.60 acres being described;

**THENCE** South 57° 59' 33" West, with the Northwest line of State Highway No. 35 and the Northwest line of the above mentioned 8.568 acre tract and the Southeast line of the said 2.614 acre tract, a distance of 738.12 feet to an existing 5/8 inch iron rod located at an angle point in the Northwest line of State Highway No. 35 for a corner of this 83.60 acres being described;

Page One

**File #      Vol      Page**  
**0072559    300      7**

FIELDNOTE DESCRIPTION  
83.60 ACRES

(continued)

THENCE South 60° 25' 25" West, with the Northwest line of State Highway No. 35 and the Northwest line of the said 8.568 acre tract, a distance of 1350.02 feet to an existing 5/8 inch iron rod for the Southwest corner of this 83.60 acres being described;

THENCE North 32° 45' 58" East, a distance of 95.18 feet to an existing 5/8 inch iron rod located in the existing East margin of Lavaca Bay for a corner of this 83.60 acres being described;

THENCE along the existing East margin of Lavaca Bay with the following meanders:

North 46° 58' 35" East, a distance of 185.99 feet;  
North 27° 09' 25" East, a distance of 262.73 feet;  
North 14° 00' 06" East, a distance of 163.62 feet;  
North 06° 52' 25" West, a distance of 37.83 feet;  
North 13° 30' 41" East, a distance of 79.93 feet;  
North 06° 53' 40" East, a distance of 174.26 feet;  
North 19° 31' 58" West, a distance of 66.10 feet;  
North 10° 19' 59" East, a distance of 122.20 feet;  
North 03° 25' 38" West, a distance of 90.57 feet;  
North 27° 14' 57" West, a distance of 89.42 feet;  
North 47° 32' 09" West, a distance of 298.29 feet;  
North 11° 06' 45" East, a distance of 148.93 feet;  
North 69° 36' 54" East, a distance of 102.26 feet;  
South 79° 09' 19" East, a distance of 215.31 feet;  
South 39° 31' 33" East, a distance of 299.48 feet;  
South 39° 43' 45" East, a distance of 188.40 feet;  
North 01° 17' 23" West, a distance of 467.52 feet;  
North 38° 52' 30" West, a distance of 112.48 feet;  
North 43° 52' 04" East, a distance of 127.05 feet;  
North 52° 47' 31" East, a distance of 130.67 feet;  
South 89° 56' 25" East, a distance of 26.81 feet;  
South 75° 40' 41" East, a distance of 241.63 feet;  
North 36° 11' 25" East, a distance of 33.48 feet;  
North 08° 56' 51" East, a distance of 27.60 feet;  
North 28° 52' 13" West, a distance of 45.02 feet;  
North 70° 18' 29" West, a distance of 224.80 feet;  
North 80° 25' 11" West, a distance of 72.64 feet;  
South 72° 15' 59" West, a distance of 81.06 feet;  
South 57° 30' 12" West, a distance of 197.20 feet;  
South 42° 22' 25" West, a distance of 227.37 feet;  
North 41° 19' 25" West, a distance of 24.27 feet;  
North 03° 52' 38" East, a distance of 45.19 feet;  
North 45° 46' 07" West, a distance of 196.35 feet;

Page Two

File #  
0072559

Vol  
300

Page  
8

**FIELDNOTE DESCRIPTION**  
**83.60 ACRES**

(continued)

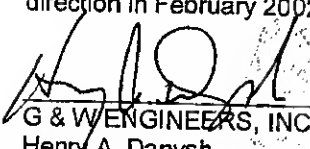
South 86° 32' 27" West, a distance of 223.26 feet;  
North 00° 02' 48" East, a distance of 111.40 feet;  
North 48° 35' 50" East, a distance of 140.31 feet;  
North 79° 00' 35" East, a distance of 161.32 feet;  
North 71° 07' 15" East, a distance of 199.89 feet;  
North 58° 24' 41" East, a distance of 83.36 feet;  
North 81° 55' 51" East, a distance of 92.81 feet;  
South 64° 33' 47" East, a distance of 66.60 feet;  
North 88° 04' 14" East, a distance of 134.84 feet;  
North 75° 32' 19" East, a distance of 108.47 feet;  
North 55° 55' 37" East, a distance of 125.06 feet;  
North 39° 18' 39" East, a distance of 249.56 feet;  
North 18° 26' 19" East, a distance of 105.57 feet;  
North 67° 53' 59" West, a distance of 12.74 feet;  
North 42° 14' 59" East, a distance of 159.46 feet to the West corner of a 0.69  
acre tract described in Deed recorded in Volume 22, Page 56 of the Official Records of Calhoun  
County, Texas for the Northwest corner of this 83.60 acres being described;

**THENCE** South 56° 47' 51" East, with the Southwest line of the above mentioned 0.69 acre tract,  
pass a 5/8 inch iron rod with orange plastic cap set on line at a distance of 51.90 feet and continuing  
a total distance of 216.90 feet to an existing 5/8 inch iron rod located at the South corner of the said  
0.69 acre tract and at the apparent Southwest terminus of the Northwest line of Texas Avenue as it  
exists on the ground for an interior corner of this 83.60 acres being described;

**THENCE** North 43° 24' 28" East, with the Southeast line of the said 0.69 acre tract and the apparent  
Northwest line of Texas Avenue as it exists on the ground, a distance of 134.97 feet to an existing 5/8  
inch iron rod located in the Northeast line of the said 65.8953 acre tract and at the East corner of the  
said 0.69 acre tract and at the South corner of Lot 1, Block 26 of the Bay Front Addition to the City of  
Port Comfort according to the Plat recorded in Volume Z, Page 152 of the Plat Records of Calhoun  
County, Texas end at the Southwest terminus of the Northwest line of Texas Avenue and the  
Northwest terminus of the Southwest line of Navasota Street, according to the above mentioned plat  
for the North corner of this 83.60 acres being described;

**THENCE** South 58° 47' 51" East (Base Bearing), with the Southwest line of Navasota Street and the  
Southwest line of the said Block "H" and the Northeast line of the said 65.8953 acre tract, a distance  
of 1671.81 feet to the **PLACE OF BEGINNING**, containing within these metes and bounds 83.61  
acres.

This fieldnote description and a plat were prepared from a survey made on the ground under my  
direction in February 2002.

  
G & W ENGINEERS, INC.  
Henry A. Danysh  
Registered Professional  
Land Surveyor, No. 5088

Page Three

File #  
0072559

Vol  
300

Page  
9

This Document has been received by this Office for  
Recording into the Official Public Records. We do  
hereby swear that we do not discriminate due to  
Race, Creed, Color, Sex or National Origin.

Filed for Record in:  
Calhoun County  
MARLENE PAUL  
COUNTY CLERK

On: Mar 11, 2002 at 03:56PM  
Receipt Number - 29603  
By, Shirley Foester

*Shirley Foester*  
Deputy

File #  
0072559

Vol  
300

Page  
10

**RELEASE OF UPLANDS AND AMENDMENT TO 1982 LEASE**

STATE OF TEXAS

§

KNOW ALL MEN BY THESE PRESENTS

COUNTY OF CALHOUN

§

§

This Release of Uplands and Amendment to 1982 Lease is entered into by and between Calhoun County Navigation District, a navigation district duly formed and existing under the laws of the State of Texas, (hereinafter "CCND" or "Lessor"), and Alcoa Inc., (hereinafter "Alcoa" or "Lessee"), a corporation organized and existing under the laws of the State of Pennsylvania.

**WHEREAS**, Article 16, Section 59 of the Texas Constitution authorizes the conservation and development of all natural resources of this State, including navigation of inland and coastal waters, through the creation of conservation and reclamation districts such as the CCND;

**WHEREAS**, the CCND is the record owner of the properties which are more particularly described on Exhibit 1 attached hereto and incorporated herein (hereinafter the "Subject Properties") which were obtained by patent from the State of Texas under the provisions of Article 8225, Revised Civil Statutes of Texas, 1925;

**WHEREAS**, the CCND and Alcoa entered into a Lease Agreement dated June 16, 1982, covering portions of CCND-owned lands (hereinafter the "1982 Lease"), including the Subject Properties, recorded in Volume 356, Page 681, of the Official Public Records of Calhoun County, Texas;

**WHEREAS**, as part of the Settlement Agreement dated January 31, 2002 (hereinafter the "Settlement Agreement") entered into by the CCND and Alcoa, Lessee seeks to release the Subject Properties and only the Subject Properties from the terms and conditions of the 1982 Lease.

**NOW THEREFORE** for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Alcoa and CCND hereby agree that the Subject Properties, with the exception of the Strip (defined below) are released from the effect of the terms and conditions contained in the 1982 Lease. The 1982 Lease is hereby amended so that the Subject Properties, with the exception of the Strip, form no part of the premises that are covered and affected by the 1982 Lease.

As used here, the term "Strip" denotes that certain 3.02 acre strip of land located within the boundaries of the Subject Properties that is more fully described in Exhibit 2 attached hereto and made a part hereof for all purposes. Alcoa and CCND each hereby agree that the Strip shall,

notwithstanding the release of the remainder of the Subject Properties from the effect of the 1982 Lease, remain subject to the terms and conditions of the 1982 Lease for so long as is necessary for Alcoa to remain in compliance with Texas air quality standards and regulations affecting Alcoa's Point Comfort Operations (but not in any event beyond the expiration of the 1982 Lease).

If Alcoa's retention of the Strip shall become no longer necessary in order for Alcoa to remain in compliance with Texas air quality standards and regulations affecting Alcoa's Point Comfort Operations, then Alcoa and CCND shall execute and record instruments releasing the Strip from the terms and conditions of the 1982 Lease and amending the same to delete the Strip from the premises covered thereby.

This Release is made and given pursuant to the terms of the Settlement Agreement and the Appendices attached thereto. This Release shall be executed simultaneously with the Settlement Agreement and shall be effective as of the Effective Date provided for in the Settlement Agreement.

*[The remainder of this page intentionally left blank; signature page follows]*

EXECUTED effective this 31 day of January, 2002.

"Alcoa"

"CCND"

ALCOA INC.

CALHOUN COUNTY NAVIGATION DISTRICT

By: \_\_\_\_\_  
John Sibley

By: *Roger G. Martinez*  
Roger G. Martinez, Board Chairman

Date: January \_\_, 2002

Date: January 31, 2002

COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF ALLEGHENY

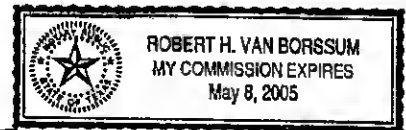
§  
§

This instrument was acknowledged before me on January \_\_, 2002 by John Sibley, Vice President of Alcoa Inc., a Pennsylvania Corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Commission Expires: \_\_\_\_\_

STATE OF TEXAS §  
COUNTY OF CALHOUN §

This instrument was acknowledged before me on January 31, 2002 by Roger G. Martinez, Board Chairman of Calhoun County Navigational District, a navigation district formed under the laws of the State of Texas, on behalf of said district.



*Robert H. Van Borssum*  
Notary Public, State of TEXAS  
Printed Name: Robert H. Van Borssum  
Commission Expires: May 8, 2005

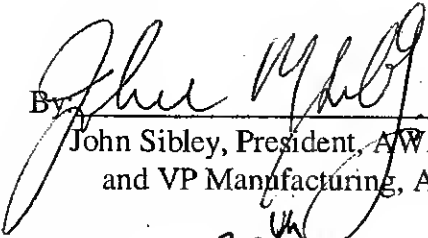
EXECUTED effective this 30<sup>th</sup> day of January, 2002.

"Alcoa"

ALCOA INC.

"CCND"

CALHOUN COUNTY NAVIGATION DISTRICT

By:   
John Sibley, President, AWA Atlantic  
and VP Manufacturing, AWA

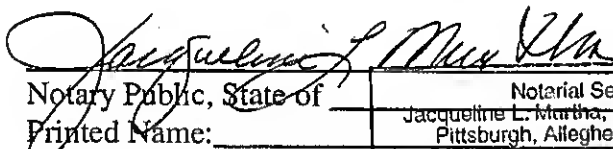
By: \_\_\_\_\_  
Roger G. Martinez, Board Chairman

Date: January 30<sup>th</sup>, 2002

Date: January \_\_\_\_, 2002

COMMONWEALTH OF PENNSYLVANIA §  
COUNTY OF ALLEGHENY §

This instrument was acknowledged before me on January 30<sup>th</sup>, 2002 by John Sibley, Vice President of Alcoa Inc., a Pennsylvania Corporation, on behalf of said corporation.

  
Notary Public, State of \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Commission Expires: \_\_\_\_\_

Notarial Seal
Jacqueline L. Martha, Notary Public
Pittsburgh, Allegheny County
My Commission Expires Jan. 24, 2003

Member, Pennsylvania Association of Notaries

STATE OF TEXAS §  
COUNTY OF CALHOUN §

This instrument was acknowledged before me on January \_\_, 2002 by Roger G. Martinez, Board Chairman of Calhoun County Navigational District, a navigation district formed under the laws of the State of Texas, on behalf of said district.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Commission Expires: \_\_\_\_\_



## EXHIBIT 1

The "Subject Properties" are defined as all lands covered and affected by the 1982 Lease which, as of the Effective Date, exist as uplands, natural accretions, man-made accretions or emergent lands.

FIELDNOTE DESCRIPTION  
3.02 ACRES

STATE OF TEXAS }  
COUNTY OF CALHOUN }

All of that certain tract or parcel containing 3.02 acres situated in and being a part of a 47,765 acre tract described in Deed dated October 13, 1956 from the State of Texas to the Calhoun County Navigation District recorded in Volume 122, Page 443-449 of the Deed Records of Calhoun County, Texas and also being a part of State Drilling Block No. 25 in Calhoun County, Texas. This 3.02 acres is more particularly described by metes and bounds as follows:

BEGINNING at an existing 5/8 inch iron rod with a red plastic cap located at an angle point in the South line of a 3062.40 acre tract described in Deed recorded in Volume 61, Pages 321-326 of the Deed Records of Calhoun County, Texas for the Northeast corner of this 3.02 acres being described, from which Mitchell 2 (Grid coordinates N 13,426,970.81 and E 2,750,670.13) bears, South 60° 30' 39" West a distance of 291.61 feet;

THENCE South 36° 53' 51" West, a distance of 52.15 feet for a corner of this 3.02 acres being described;

THENCE South 52° 36' 29" West, a distance of 362.32 feet for a corner of this 3.02 acres being described;

THENCE South 60° 57' 48" West, a distance of 679.95 feet for the South corner of this 3.02 acres being described;

THENCE North 81° 56' 20" West, a distance of 59.62 feet to the existing riprap for the Southwest corner of this 3.02 acres being described;

THENCE along the existing rip-rap with the following courses and distances:

North 21° 08' 39" East, a distance of 35.20 feet;

North 47° 42' 33" East, a distance of 29.53 feet;

North 65° 30' 15" East, a distance of 105.03 feet;

North 61° 41' 27" East, a distance of 124.43 feet;

North 56° 25' 25" East, a distance of 135.29 feet;

North 52° 17' 25" East, a distance of 43.53 feet;

North 40° 16' 01" East, a distance of 145.64 feet;

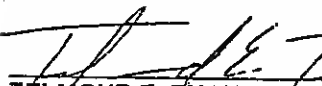
North 39° 15' 20" East, a distance of 159.17 feet;

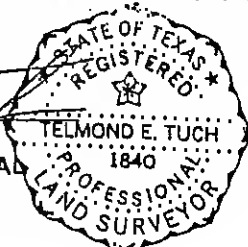
North 51° 23' 15" East, a distance of 60.58 feet to the existing sheet piling for an interior corner of this 3.02 acres being described;

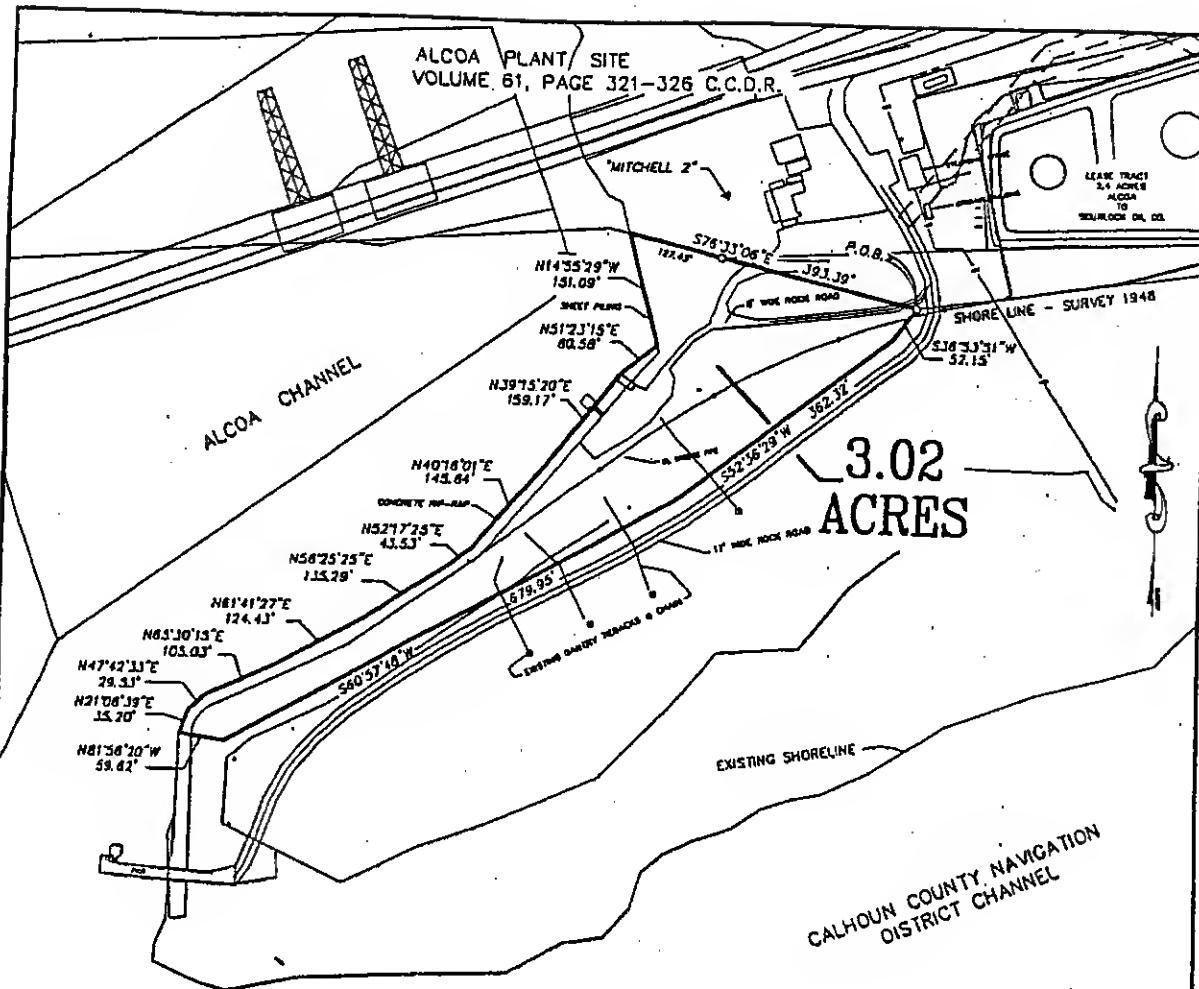
THENCE North 14° 55' 29" West, along the existing sheet piling, a distance of 151.09 feet to the South line of the above mentioned 3062.40 acre tract for the Northwest corner of this 3.02 acres being described;

THENCE South 76° 33' 06" East, with the South line of the said 3062.40 acre tract, pass an existing 5/8 inch iron rod with a red cap located on line at a distance of 127.43 feet and continuing a total distance of 393.38 feet to the PLACE OF BEGINNING, containing within these metes and bounds 3.02 acres.

This fieldnote description and a plat were prepared from a survey made on the ground under my direction in March 2001, and is true and correct to the best of my knowledge and belief.

  
TELMOND E. TUCH  
REGISTERED PROFESSIONAL  
LAND SURVEYOR, NO. 1840





47,765 ACRES  
VOLUME 122, PAGE 443 - 449 C.C.O.R.

Denote existing 5/8" I.R.  
W/Plastic Cap

NOTE:  
P.O.B. BEARS S80°30'39"E A DISTANCE OF  
291.81' FROM "MITCHELL 2" (GRID COORDINATES:  
N 13428970.81 AND E 2750870.13)

-PLAT-

I, TELMOND E. TUCH, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY  
THAT THE PLAT SHOWN HEREON REPRESENTS THE RESULTS OF AN ON THE GROUND SURVEY  
MADE UNDER MY DIRECTION AND SUPERVISION IN MARCH 2001, AND THAT CORNERS  
ARE AS SHOWN HEREON.



*[Signature]*  
TELMOND E. TUCH  
REGISTERED PROFESSIONAL LAND SURVEYOR  
NO. 1840

NOTE: 1) METES AND BOUNDS DESCRIPTION PREPARED WITH THIS DRAWING.  
2) BEARINGS ARE BASED ON THE RECORDED DEED IN VOL. 61, PG. 321-326.  
3) COORDINATES SHOWN HEREON ARE NAD 83 DATUM.

G & W ENGINEERS, INC.

205 W. LIVEOAK 1-361-552-4509 PORT LAVACA, TEXAS  
dwn. by J.H.O. recom'd by T.E.T. date MARCH 2001

PLAT SHOWING 3.02 ACRES SITUATED IN AND A PART OF 47,765 ACRES  
DESCRIBED IN VOLUME 122, PAGE 443-449 OF THE CALHOUN COUNTY  
DEED RECORDS AND ALSO BEING A PART OF STATE DRILLING BLOCK  
NO. 25 IN CALHOUN COUNTY, TEXAS.

**TERM EASEMENT AND RIGHT-OF-WAY**

(North Boundary of Harbor Tract)

STATE OF TEXAS

§

§

KNOW ALL MEN BY THESE PRESENTS

COUNTY OF CALHOUN

§

This Term Easement is entered into by and between **Alcoa World Alumina LLC**, (hereinafter "**Grantor**"), a Delaware limited liability company, and the **Calhoun County Navigation District**, (hereinafter "**CCND**" or "**Grantee**"), a navigation district duly formed and existing under the laws of the State of Texas, whose mailing address is P.O. Box 397, Point Comfort, Texas, 77978.

**1. GRANT OF EASEMENT**

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, Grantor GRANTS AND CONVEYS to Grantee, for the term hereinafter expressed, a non-exclusive easement and right-of-way upon and across the paved roadway situated on the property more particularly described on Exhibit 1 attached hereto and by this reference incorporated in this instrument for all purposes (the "Easement Tract"). This instrument does not grant rights in or to lands outside of the Easement Tract.

This grant is subject to all of the terms, conditions and limitations set forth in this instrument and to all restrictions, leases, liens, encumbrance and other matters that are of record and affect title to the Property and/or to the easements here conveyed. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, GRANTOR MAKES NO WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE CONCERNING THE USEFULNESS, CONDITION, MAINTENANCE, REPLACEMENT, REPAIR OR ANY OTHER ATTRIBUTE OR ASPECT OF, OR OF ANY CONDITION NOW OR HEREAFTER AFFECTING, THE EASEMENT TRACT.

**2. PURPOSE AND CHARACTER OF EASEMENT**

This easement, with all of its rights and privileges, shall be for the exclusive purpose of affording access to Grantee, its successors and assigns to that certain tract or parcel of land located in Calhoun County, Texas and containing 5.23 acres, more or less as more fully described on Exhibit 2 attached hereto and incorporated herein (the "Harbor Tract") which tract is this day conveyed by Grantor to Grantee, and all lands adjacent to the Harbor Tract owned by Grantee. The easement and right-of-way granted is an easement appurtenant to the Harbor Tract and all lands adjacent to the Harbor Tract owned by Grantee.

**3. TERM OF EASEMENT**

This easement shall be for a term of two (2) years commencing as of the date hereof. On the second anniversary of the date hereof, this easement shall automatically terminate and expire.

**4. DAMAGES TO ROADWAY**

Grantee shall, during the term of this Easement, be responsible for damages to the paved roadway within the Easement Tract caused by Grantee, its employees, agents, contractors, licensees or others making use of such roadway for Grantee's purposes, normal wear, tear and damage by casualty excluded.

**5. AMENDMENTS TO AGREEMENT.**

Any oral representation or modifications concerning this Agreement shall be of no force and effect. Any subsequent amendment or modification must be mutually agreed upon in writing by Grantor and Grantee.

**6. DISPUTE EXPENSES AND ATTORNEYS' FEES.**

In any controversy, claim, or dispute arising from or relating to this Agreement or its breach, the prevailing party shall be entitled to recover from the other party reasonable expenses, attorneys' fees, and costs. This Agreement relates to and concerns land located in Calhoun County, Texas. Venue for actions to interpret or enforce this Agreement shall be in state district court in Calhoun County, Texas or federal district court for the Southern District of Texas, Victoria Division.

**7. BINDING EFFECT.**

This Agreement shall bind and inure to the benefit of the respective Parties and their affiliates, subsidiaries, parent companies, representatives, successors, and assigns.

**8. INCORPORATION BY REFERENCE AND EFFECTIVE DATE.**

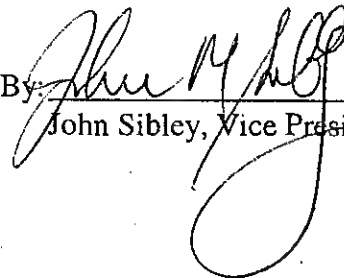
This Agreement is entered into pursuant to the Settlement Agreement and Appendices attached thereto entered into by the CCND and Alcoa, Inc. dated January 31, 2002. This Agreement shall be executed simultaneously with the Settlement Agreement and shall be effective as of the Effective Date provided for in the Settlement Agreement.

**TO HAVE AND TO HOLD** unto Grantee and its successors and assigns, for the term and subject to all of the terms, conditions, exceptions and other matters herein provided. To the exclusion of any and all other warranties, expressed or implied and subject to the aforementioned matters, Grantor binds itself and its successors and assigns to warrant and forever defend the easement estate here granted against every person whomsoever lawfully claiming or to claim the same or any part thereof, by through or under Grantor, but not otherwise.

EXECUTED effective as of the 30<sup>th</sup> day of January, 2002.

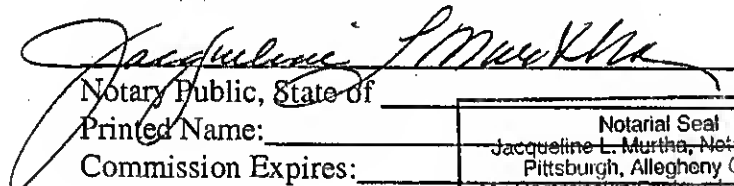
"Alcoa"

ALCOA WORLD ALUMINA LLC

By:   
John Sibley, Vice President

STATE OF PENNSYLVANIA     §  
COUNTY OF ALLEGHENY     §

This instrument was acknowledged before me on January 30<sup>th</sup>, 2002 by John Sibley, Vice President of Alcoa World Alumina LLC, a Delaware limited liability company, on behalf of said company.

  
Notary Public, State of \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Commission Expires: \_\_\_\_\_

Notarial Seal Jacqueline L. Murtha, Notary Public Pittsburgh, Allegheny County My Commission Expires Jan. 24, 2003 Member, Pennsylvania Association of Notaries
---

0.48 Acre, Easement

Part of the Thomas Cox  
Survey, A-10, Calhoun  
County, Texas.

STATE OF TEXAS §

COUNTY OF CALHOUN §

DESCRIPTION of a tract or parcel of land containing 0.48 acre, more or less, situated in and a part of the Thomas Cox Survey, A-10, Calhoun County, Texas. Said 0.48 acre, more or less, described as being in and a part of that certain 3062.40 acres described as FIRST TRACT in a deed from H. C. Smith, et ux and W. H. Bauer, et ux to Aluminum Company of America dated May 20, 1948 and recorded in Volume 61, Pages 321-326 of the Calhoun County Deed Records. This 0.48 acre, more or less, also described as a 30 foot wide strip of land along and adjacent to the North line of a 5.23 acre tract of land and is more fully described by metes and bounds as follows:

BEGINNING at a 5/8 iron rod with a red plastic cap marking an interior corner of the aforesaid 5.23 acre tract and having Grid coordinates of N 13,427,128.01 and E 2,751,484.75;

THENCE, S 88° 06' 52" W, a distance of 30.00 feet to a point for a corner in the North line of the said 5.23 acre tract;

THENCE, Parallel to and 30.00 feet from the North line of said 5.23 acre tract with the following courses and distances:

N 01° 53' 08" W, 84.44 feet;

N 89° 04' 24" E, 293.10 feet;

N 53° 33' 45" E, 120.16 feet;

N 68° 37' 42" E, 34.78 feet;

N 80° 07' 33" E, 26.71 feet;

N 85° 22' 53" E, 24.26 feet;

AND N 88° 57' 41" E, 137.26 feet to a point for corner;

THENCE, S 01° 16' 29" E, a distance of 30.00 feet to a point for corner being a 5/8 inch iron rod with a red plastic cap marking the Northeast corner of the aforesaid 5.23 acre tract;

THENCE, along with the North line of said 5.23 acre tract with the following courses and distances:

S 88° 57' 41" W, 136.45 feet;

S 85° 22' 53" W, 21.95 feet;

S 80° 07' 33" W, 22.31 feet;

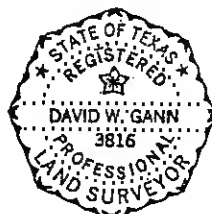
S 68° 37' 42" W, 27.79 feet;

S 53° 33' 45" W, 125.80 feet;

S 89° 04' 24" W, 272.20 feet;

AND S 01° 53' 08" E, a distance of 53.93 feet to the PLACE OF BEGINNING; CONTAINING within these metes and bounds 0.48 acre, more or less, situated in and a part of the Thomas Cox Survey, A-10, Calhoun County, Texas.

The foregoing DESCRIPTION was prepared from office calculations based on an actual on the ground survey made under the direction and supervision of Telmond E. Tuch, R. P. L. S., No. 1840, in December 2000, and is true and correct to the best of my knowledge and belief.



  
DAVID W. GANN  
REGISTERED PROFESSIONAL LAND SURVEYOR  
NO. 3816

- NOTE:**
1. Bearings based on the recorded Deed in Volume 61, Pages 321-326, Calhoun County Deed Records.
  2. Corners are as shown on accompanying survey plat.
  3. Coordinates for P. O. B. are NAD 83 coordinates based on Mitchell 2, having the following coordinate values:  
N = 13,426,970.81 and E = 2,750,670.13

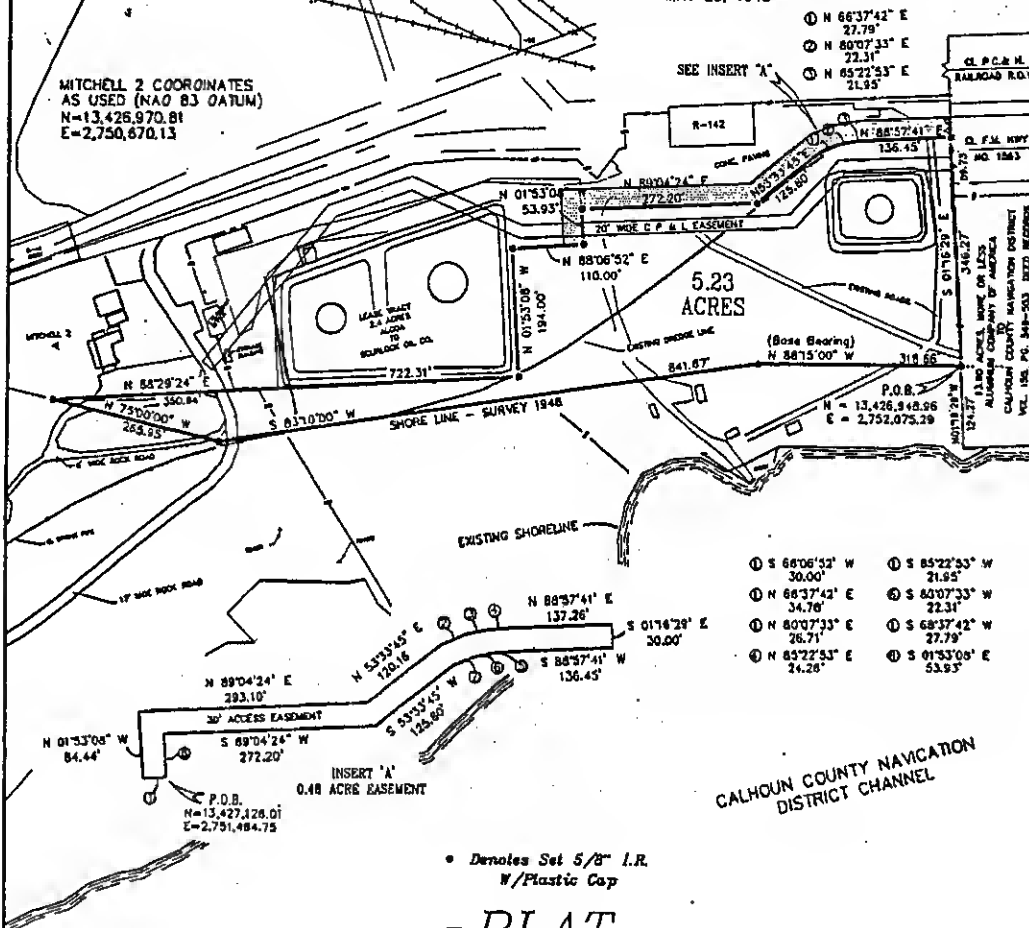


# THOMAS COX SURVEY A-10

ALCOA PLANT  
SITE

3062.40 ACRES, FIRST TRACT  
H. C. SMITH, et ux AND W. H. BAUER, et ux  
TO  
ALUMINUM COMPANY OF AMERICA  
VOL. 61, PG. 321-326 DEED RECORDS  
MAY 20, 1948

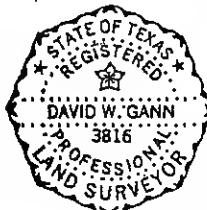
MITCHELL 2 COORDINATES  
AS USED (NAO 83 DATUM)  
N=13,426,970.81  
E=2,750,670.13



• Denotes Set 5/8" I.R.  
W/Plastic Cap

-PLAT-

I, DAVID W. GANN, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY  
THAT THE PLAT SHOWN HEREON REPRESENTS THE RESULTS OF OFFICE CALCULATIONS  
BASED ON AN ON THE GROUND SURVEY MADE UNDER THE DIRECTION AND SUPERVISION  
OF TELMOND E. TUCH, R.P.L.S., No. 1840 IN DECEMBER 2000, AND THAT CORNERS ARE  
AS SHOWN HEREON.



*David W. Gann*  
DAVID W. GANN  
REGISTERED PROFESSIONAL LAND SURVEYOR  
NO. 3816

NOTE: 1) METES AND BOUNDS DESCRIPTION PREPARED WITH THIS DRAWING.  
2) BEARINGS ARE BASED ON THE RECORDED DEED IN VOL. 61, PG. 321-326.  
3) NO EASEMENTS WERE LOCATED OTHER THAN THOSE SHOWN HEREON.  
4) COORDINATES SHOWN HEREON ARE HAD 83 DATUM.

REV. 10-2-01 TO SHOW EASEMENT (9171-192)

G & W ENGINEERS, INC.

205 W. LIVEOAK 1-361-552-4509 PORT LAVACA, TEXAS

BEING 5.23 ACRE, MORE OR LESS, AND A 0.48 ACRE  
EASEMENT SITUATED IN AND PART OF THE THOMAS  
COX SURVEY, A-10, CALHOUN COUNTY, TEXAS.

drawn by: O.W.O. recom'd by: T.E.T. date: OCT. 02, 2001 scale: 1" = 200' job no.: 9171-192 drawing no.: 91711923

5.23 Acres, More Or Less

Part of the Thomas Cox  
Survey, A-10, Calhoun  
County, Texas.

STATE OF TEXAS

§

COUNTY OF CALHOUN

§

DESCRIPTION of a tract or parcel of land containing 5.23 acres, more or less, situated in and a part of the Thomas Cox Survey, A-10, Calhoun County, Texas. Said 5.23 acres, more or less, described as being in and a part of that certain 3062.40 acres described as FIRST TRACT in a deed from H. C. Smith, et ux and W. H. Bauer, et ux to Aluminum Company of America dated May 20, 1948 and recorded in Volume 61, Pages 321-326 of the Calhoun County Deed Records. This 5.23 acres, more or less, is more fully described by metes and bounds as follows:

BEGINNING at a 5/8 iron rod with a red plastic cap set for corner at the point of intersection of the South line of the aforesaid 3062.40 acre, FIRST TRACT, with the West line of a 13.90 acre tract, more or less, as described in a deed from Aluminum Company of America to the Calhoun County Navigation District and recorded in Volume 155, Pages 549-553 of the Calhoun County Deed Records. Said 5/8 inch iron rod set for corner bears N 01° 16' 29" W, a distance of 124.27 feet from the Southwest corner of the said 13.90 acre tract and having Grid coordinates of N 13,426,948.96 and E 2,752,075.29;

THENCE, N 88° 15' 00" W (Base Bearing), a distance of 318.66 feet to a 5/8 inch iron rod with a red plastic cap set for a corner marking a point of angle to the left in the South line of the aforesaid 3062.40 acre, FIRST TRACT;

THENCE, S 83° 10' 00" W, a distance of 841.67 feet to a 5/8 inch iron rod with a red plastic cap set for corner at a point of angle to the right in the South line of the aforesaid 3062.40 acre, FIRST TRACT;

THENCE, N 75° 00' 00" W, a distance of 265.95 feet to a 5/8 inch iron rod with a red plastic cap set for the West corner of this tract and being at the point of intersection of the Southwestward projection of the South line of a 2.4 acre lease tract from Aluminum Company of America to Scurlock Oil Company;

THENCE, N 88° 29' 24" E, passing at 350.94 feet the Southwest corner of the aforementioned 2.4 acre lease tract and for a TOTAL DISTANCE of 722.31 feet to a 5/8 inch iron rod with a red plastic cap set for an interior corner of this tract and also being the most Southeast corner of said 2.4 acre lease tract;

THENCE, with the common line between this tract and the aforesaid 2.4 acre lease tract, along the following courses and distances:

N 01° 53' 08" W, a distance of 194.00 feet  
to a 5/8 inch iron rod with a red plastic cap  
set for corner;

N 88° 06' 52" E, a distance of 110.00 feet  
to a 5/8 inch iron rod with a red plastic cap  
set for corner;

AND N 01° 53' 08" W, a distance of 53.93  
feet to a 5/8 inch iron rod with a red plastic cap set for corner in the most Easterly  
line of the aforesaid 2.4 acre lease tract;

THENCE, N 89° 04' 24" E, a distance of 272.20 feet to a 5/8 inch iron rod with a red  
plastic cap set for corner next to the edge of some existing concrete paving;

THENCE, along the edge of said existing concrete paving with the following courses and distances:

N 53° 33' 45" E, 125.80 feet;

N 68° 37' 42" E, 27.79 feet;

N 80° 07' 33" E, 22.31 feet;

N 85° 22' 53" E, 21.95 feet;

AND S 88° 57' 41" E, a distance of 136.45 feet to a 5/8 inch iron rod with a red plastic cap set for corner;

THENCE, S 01° 16' 29" E, passing at 89.73 feet the Northwest corner of the aforementioned 13.90 acre Calhoun County Navigation District tract and for a TOTAL DISTANCE of 346.27 feet to the PLACE OF BEGINNING; CONTAINING within these metes and bounds 5.23 acres, more or less, situated in and a part of the Thomas Cox Survey, A-10, Calhoun County, Texas.

The foregoing DESCRIPTION was prepared from an actual on the ground survey made under my direction and supervision in December 2000, and is true and correct to the best of my knowledge and belief.



A handwritten signature in black ink, appearing to read "Telmond E. Tuch", written over a horizontal line.

TELMOND E. TUCH  
REGISTERED PROFESSIONAL LAND SURVEYOR  
NO. 1840

NOTE:

1. Bearings based on the recorded Deed in Volume 61, Pages 321-326, Calhoun County Deed Records.
2. Corners are as shown on accompanying survey plat.
3. Coordinates for P. O. B. are NAD 83 coordinates based on Mitchell 2, having the following coordinate values:  
N = 13,426,970.81 and E = 2,750,670.13

# THOMAS COX SURVEY A-10

ALCOA PLANT  
SITE

3062.40 ACRES, FIRST TRACT  
H. C. SMITH, et ux AND W. H. BAUER, et ux  
TO  
ALUMINUM COMPANY OF AMERICA  
VOL. 61, PG. 321-328 DEED RECORDS  
MAY 20, 1948

MITCHELL 2 COORDINATES  
AS USED (NAD 83 DATUM)  
MITCHELL 2 COORDINATES  
AS USED (NAD 83 DATUM)

① N 68°37'42" E  
27.79'  
② N 80°07'33" E  
22.31'  
③ N 85°22'53" E  
21.95'

CL. P.C. & N.

RAILROAD R.O.W.

CL. F.M. HWY.

MO. 1583

1130 ACRES, MORE OR LESS

ALUMINUM COMPANY OF AMERICA

CALHOUN COUNTY NAVIGATION DISTRICT

VOL. 155, PG. 241-243 DEED RECORDS

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

174.17'

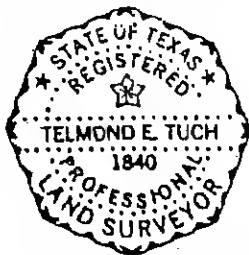
174.17'

CALHOUN COUNTY NAVIGATION  
DISTRICT CHANNEL

• Denotes Set 5/8" I.R.  
W/Plastic Cap

-PLAT-

I, TELMONO E. TUCH, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY  
THAT THE PLAT SHOWN HEREON REPRESENTS THE RESULTS OF AN ON THE GROUND SURVEY  
MADE UNDER MY DIRECTION AND SUPERVISION IN DECEMBER 2000, AND THAT CORNERS  
ARE AS SHOWN HEREON.



*TELMONO E. TUCH*  
TELMONO E. TUCH  
REGISTERED PROFESSIONAL LAND SURVEYOR  
NO. 1840

- NOTE: 1) METES AND BOUNDS DESCRIPTION PREPARED WITH THIS DRAWING.  
2) BEARINGS ARE BASED ON THE RECORDS DEED IN VOL. 61, PG. 321-328.  
3) NO EASEMENTS WERE LOCATED OTHER THAN THOSE SHOWN HEREON.  
4) COORDINATES SHOWN HEREON ARE NAD 83 DATUM.

G & W ENGINEERS, INC.

205 W. LIVEOAK

1-361-552-4509

PORT LAVACA, TEXAS

BEING 5.23 ACRE, MORE OR LESS, SITUATED IN AND  
PART OF THE THOMAS COX SURVEY, A-10, CALHOUN  
COUNTY, TEXAS.

drawn by: O.W.O.

recorded by: T.E.F.

date: DEC 08 2000

## **CONTRACT FOR DREDGE SPOIL DISPOSAL CAPACITY**

This Agreement is entered into by and between Alcoa World Alumina LLC (hereinafter "Alcoa"), a Delaware limited liability company, whose address is 201 Isabella Street, Pittsburgh, PA 15212-5858, and the Calhoun County Navigation District (hereinafter "CCND"), a navigation district duly formed under the laws of the State of Texas, whose address is P.O. Box 397, Point Comfort, Texas 77978 (where appropriate, hereinafter collectively referred to as "the Parties").

### **RECITALS**

**WHEREAS**, mercury is present in, on, or under all or part of CCND owned lands, including the approximately 1,439 acres of real property, including submerged lands, described in the Lease Agreement dated June 16, 1982 (hereinafter "the 1982 Lease Property"), entered into by and between CCND and the Aluminum Company of America and recorded in volume 356, page 681, of the Official Public Records of Calhoun County, Texas;

**WHEREAS**, the 1982 Lease Property, in its entirety, and other CCND owned lands are located within the Alcoa (Point Comfort)/Lavaca Bay Superfund Site (hereinafter "the Superfund Site"); said Superfund Site having been placed on the National Priorities List effective March 25, 1994. 59 FED. REG. 8724 (February 23, 1994);

**WHEREAS**, pursuant to the Administrative Order on Consent and other documents made a part of the administrative record in U.S. EPA Docket No.6-11-94, Alcoa has initiated remedial investigations, feasibility studies and removal actions to address mercury contamination at the Superfund Site including, but not limited to, the construction of a Confined Disposal Facility located on the 183.2 acre tract of land on north end of Dredge Island more fully described on Exhibit 1 (hereinafter "CDF");

**WHEREAS**, the CCND and Alcoa support the goals identified in Section IV (entitled "Statement of Purpose") of the Administrative Order on Consent;

**WHEREAS**, Alcoa agrees, subject to the terms and conditions hereinafter set forth, to provide the CCND with dredge spoil disposal capacity in the CDF;

**WHEREAS**, it is anticipated by the Parties that Alcoa shall have ongoing operation and maintenance responsibilities for the CDF as specified in the Consent Decree to be filed in (or other documents in the administrative record of) U.S. EPA Docket No.6-11-94.

### **WITNESSETH**

**NOW, THEREFORE**, in consideration of the terms and conditions contained in the

Settlement Agreement entered into by and between the Parties and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

### **1. INCORPORATION BY REFERENCE AND EFFECTIVE DATE.**

This Agreement expressly incorporates by reference the Settlement Agreement and Appendices attached thereto entered into by and between the CCND and Alcoa dated January 31, 2002. This Agreement shall be executed simultaneously with the Settlement Agreement and shall be effective as of the Effective Date provided for in the Settlement Agreement.

### **2. DREDGE SPOIL DISPOSAL CAPACITY.**

Alcoa shall provide the CCND with a total of one million (1,000,000) cubic yards of dredge spoil disposal capacity in the CDF. There are no restrictions on the number of times the CCND may dispose of dredge material in the CDF so long as the total capacity allotted is not exceeded.

### **3. RESPONSIBILITIES OF THE PARTIES.**

Except as otherwise provided for in the Indemnification Agreement attached as Appendix C to the Settlement Agreement, (a) CCND shall be wholly responsible for the integrity of the method chosen and the operation of the means used to move spoil from the dredge site into the CDF; and (b) once deposited in the CDF, Alcoa shall be wholly responsible for the containment of the spoil, and the discharge of decant water therefrom.

Under any Final Plan (as such term is defined in Exhibit 2 and hereby incorporated by reference) for spoiling operations, Alcoa shall be entitled to control the rate that material is deposited into the CDF and the location at which such deposit is made. Notwithstanding the provisions of any Final Plan, Alcoa shall be entitled to suspend the deposit of spoil in the CDF pursuant to any Final Plan approved by the Parties as and to the extent necessary: (i) to comply with the provisions of any law, regulation, order, decree, or permit requirement applicable to the CDF, its operation, certification, repair, maintenance or to discharges or other effects that it produces; (ii) to comply with the requirements of any reasonable operating procedure or protocol made applicable to the CDF by Alcoa; (iii) to accommodate concurrent or other spoiling operations making use of capacity in the CDF; and/or (iv) in the event of damage to or destruction, in whole or in part, of the CDF or any component thereof due to any cause. However, no such suspension shall operate to reduce the dredge spoil capacity made available to the CCND hereunder. Under any Final Plan for spoiling operations utilizing capacity in the CDF, CCND shall be required to, at its sole cost and expense, conduct both an initial pre-dredging survey of the site to be dredged, and a final post-dredging survey of the site actually dredged. Such surveys shall be conducted

pursuant to the Plan Requirements (as defined in Exhibit 2), and within the time frames specified by them. Utilization of spoil capacity in the CDF by CCND shall be calculated by reference to the volume of material in place (measured in cubic yards) actually removed from the dredge site as determined by such surveys.

#### **4. NOTICE OF INTENT TO DISPOSE DREDGE SPOIL AND PLAN FOR DREDGING EVENT.**

Unless otherwise agreed by the Parties in writing, the CCND shall provide Alcoa with at least sixty (60) days prior written notice of its intent to commence dredging and utilize disposal capacity in Alcoa's Dredge Island CDF. This notice shall be accompanied by a draft Preliminary Plan to conform to the spoiling plan protocols as more fully described in Exhibit 2. Notice shall be sent by certified mail to:

Alcoa Inc.  
Operations Manager  
P.O. Box 101  
Point Comfort, TX 77978-0101

With a copy to:

Alcoa Remediation Work Group  
Lavaca Bay Project Manager  
P.O. Box 101  
Point Comfort, TX 77978-0101

Within 30 days of its receipt of the notice and Preliminary Plan, Alcoa shall make its representatives available to the CCND for a dredging plan conference, the purpose of which will be to finalize the Preliminary Plan described in Exhibit 2. Once finalized and approved by both Parties, the Preliminary Plan shall become final, and spoiling operations of CCND shall proceed in compliance with that Final Plan and subject to the restrictions therein contained and otherwise in accordance with the provisions of this Agreement.

#### **5. CASH COMPENSATION FOR DIMINISHED DISPOSAL CAPACITY.**

In the event Alcoa is unable, for any reason, to provide the CCND with all or any portion of the one million (1,000,000) cubic yards of dredge spoil disposal capacity provided for under this Agreement, Alcoa shall compensate the CCND for said diminished capacity at five dollars (\$5.00) per cubic yard of diminished capacity within thirty (30) days of receiving a written demand for cash compensation. Alcoa may at any time during the term of this Agreement elect to decrease the amount of dredge spoil capacity afforded the CCND up to an amount not to

exceed 100,000 cubic yards by notifying the CCND in writing of same and tendering payment to the CCND in cash an amount equal to five dollars (\$5.00) per cubic yard of diminished capacity. However, any compensation for diminished disposal capacity paid by Alcoa to the CCND pursuant to the terms of this Agreement in no way waives, restricts or otherwise limits the CCND's right to invoke the terms of the Indemnification Agreement attached as Appendix C to the Settlement Agreement.

## **6. INDEMNIFICATION.**

Reference is here made to the Indemnification Agreement that is attached as Exhibit C to the Settlement Agreement (the "Indemnification Agreement"). The Parties agree that:

(a) Subject to the provisions of subparagraph (b), below, Alcoa shall indemnify, defend and hold harmless the CCND, its employees, agents, officers, directors, and board members (hereinafter the "CCND Indemnified Parties"), from any and all claims, causes of action, liabilities, demands, damages, enforcement actions, penalties, or costs, whether known or unknown as of the Effective Date, arising out of (i) the presence within the CDF of any hazardous substance, hazardous material, toxic substance, or solid waste (other than mercury) as such terms are defined in CERCLA (42 U.S.C.A. 9601, et seq.), the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (42 U.S.C.A. 6901, et seq.), and the Toxic Substances Control Act (15 U.S.C.A. 2601, et seq.) (hereinafter collectively referred to as "Hazardous Substance") or (ii) the failure to contain within the CDF any other Hazardous Substance, including any Hazardous Substances that may be present in dredge spoil placed into the CDF by the CCND pursuant to this Agreement.

(b) As used in this subsection (b), the term "Alcoa Related Parties" means Alcoa's employees, agents, officers, directors, and board members. "Excepted Claims" means any and all claims, causes of action, liabilities, demands, damages, enforcement actions, penalties, or costs, whether known or unknown as of the Effective Date, arising out of the CCND's dredging, transportation of dredge spoil and deposit of dredge spoil into the CDF (including but not limited to any connected with a release, discharge or disposal of any Hazardous Substance [other than (i) mercury or (ii) a Hazardous Substance released or discharged into the bay by Alcoa] in the course of any such activities). Neither Alcoa, nor the Alcoa Related Parties shall be liable to any of the CCND Indemnified Parties for Excepted Claims or for any indemnity under subsection (a) above with respect to any Excepted Claim. In addition, to the full extent as may be allowed by applicable law, the CCND shall indemnify, defend and hold harmless the Alcoa Related Parties from any Excepted Claims. Nothing herein shall limit the obligations of Alcoa under the Indemnification Agreement for, nor require the CCND to indemnify, defend or hold Alcoa harmless to the extent any Excepted Claims are, "Third Party Claims" for which Alcoa



owes the CCND indemnity or defense under the Indemnification Agreement.

(c) The CCND acknowledges that "free spoiling" of dredged material back into the bay is not a viable alternative means of dredge spoil disposal available to it under present circumstances, whether the spoil material is mercury-contaminated or not; consequently, the CCND requires access to upland spoil disposal sites. The CCND acknowledges that it presently intends to use Dredge Island as its primary upland dredge spoil disposal location.

## **7. TERMINATION.**

This Agreement shall terminate at such time as the CCND has utilized the entire dredge spoil disposal capacity provided for herein (or any reduced capacity made applicable by payments tendered pursuant to Section 5, above) or as otherwise mutually agreed upon by the Parties in writing.

## **8. OBTAINING NECESSARY PERMITS AND REGULATORY COMPLIANCE.**

All dredging operations of the CCND, including but not limited to the movement of spoil material to the CDF, shall be undertaken in accordance with all applicable federal, state and local environmental laws and regulations, and pursuant to all permits required by federal, state or local government entities, which CCND shall apply for and obtain, at its sole cost. Alcoa shall apply for and obtain, at its sole cost, any and all permits for its operation of the CDF required by federal, state or local government entities including, but not limited to, decant water discharge permits, and will comply with all applicable federal, state and local environmental laws and regulations in constructing and operating the CDF. The Parties agree to cooperate with one another with respect to issues that may arise in connection with harmonizing conflicting provisions of permits or licenses that each is required to obtain in order to undertake their respective functions as contemplated by this Agreement, and to share in an equitable manner the costs that may thereby be incurred. To the extent possible, such issues shall be handled in the plan adopted by the Parties for a particular dredging event.

## **9. OTHER TERMS AND CONDITIONS.**

- a. The Parties executing this Agreement warrant that the person signing on their behalf is fully authorized to do so. Alcoa further represents, covenants and warrants that it has taken all necessary corporate action to approve and effectuate the terms and provisions of this Agreement. Likewise, the CCND represents, covenants, and warrants that it has taken all necessary action to approve and effectuate the terms and provisions of this Agreement, including approval of the terms and provisions of this Agreement in accordance with the provisions of the

Texas Open Meetings Act.

- b. The Parties may execute separate copies of the Agreement and, upon such execution, the copies shall together constitute an original counterpart. All such executed counterparts shall together constitute a single instrument.
- c. This Agreement relates to and concern acts and events taking place in, or lands located in, Texas and shall be interpreted, construed, and enforced in accordance with the laws of the State of Texas. Except as otherwise specifically provided for in the Settlement Agreement or the attached Appendices, venue for actions to interpret or enforce this Agreement or shall be in State District Court in Calhoun County, Texas or in the Federal District Court for the Southern District of Texas, Victoria Division.
- d. Each of the Parties executing this Agreement acknowledges its receipt and understands its content.
- e. The Parties acknowledge that this Agreement is fully supported by consideration.
- f. If any of the provisions of this Agreement shall for any reason become or be held invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not effect the other provisions contained herein.
- g. This Agreement shall be binding upon and inure to the benefit of each of the Parties and their affiliates, subsidiaries, parent companies, heirs, assigns, and successors in interest.

*[Remainder of this page intentionally left blank]*

IN WITNESS HEREOF, the CCND and Alcoa execute this Agreement as of the 31  
day of January, 2002.

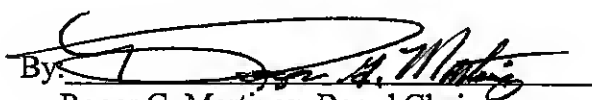
"Alcoa"

ALCOA WORLD ALUMINA LLC

"CCND"

CALHOUN COUNTY NAVIGATION DISTRICT

By: \_\_\_\_\_  
John Sibley, Vice President

By:   
Roger G. Martinez, Board Chairman

IN WITNESS HEREOF, the CCND and Alcoa execute this Agreement as of the 31  
day of January, 2002.

"Alcoa"

ALCOA WORLD ALUMINA LLC

"CCND"

CALHOUN COUNTY NAVIGATION DISTRICT

By:

  
John Sibley, Vice President

By:

\_\_\_\_\_  
Roger G. Martinez, Board Chairman

FIELDNOTE DESCRIPTION  
183.20 ACRES

STATE OF TEXAS        }  
COUNTY OF CALHOUN }

All of that certain tract or parcel containing 183.20 acres situated in and being a part of a 47,765 acre tract described in Deed dated October 13, 1956 from the State of Texas to the Calhoun County Navigation District recorded in Volume 122, Pages 443-449 of the Deed Records of Calhoun County, Texas and also being a part of State Drilling Blocks No. 13, No. 14 and No 25 in Calhoun County, Texas. This 183.20 acres is more particularly described by metes and bounds as follows:

BEGINNING at a "MAG" nail set in the centerline of an existing road and at the South end of an existing bridge and in the North line of this 183.20 acres being described, from which Mitchell 2 (Grid Coordinates N 13,428,970.81' and E 2,750670.13) bears North 41° 01' 37" West, a distance of 5,319.25 feet.

THENCE South 67° 29' 32" East, with the South line of the existing bridge, a distance of 20.00 feet for the Northeast corner of this 183.20 acres being described;

THENCE South 22° 30' 35" West, with a line that is 20.00 feet East of and parallel to the centerline of the existing road, a distance of 612.54 feet to the toe of the existing ramp for a corner of this 183.20 acres being described;

THENCE along the toe of the existing ramp with the following courses and distances:

South 01° 57' 41" East, a distance of 13.52 feet;

South 19° 52' 44" West, a distance of 75.53 feet;

South 15° 56' 30" West, a distance of 92.53 feet;

South 09° 49' 31" West, a distance of 64.43 feet;

South 01° 12' 51" West, a distance of 49.55 feet;

South 05° 54' 59" East, a distance of 21.86 feet to the existing toe of the dike armor.

THENCE along the existing toe of the dike armor with the following courses and distances:

North 89° 01' 19" East, a distance of 1154.33 feet to a 5/8 inch iron rod with a red cap set on line at a point of curve for this 183.20 acres being described;

Along said curve to the right with a Delta of 72° 09' 26" and a Radius of 199.95 feet and a Long Chord of South 54° 53' 58" East, a distance of 235.50 feet;

South 18° 49' 15" East, a distance of 47.21 feet;

South 18° 21' 45" East, a distance of 100.00 feet;

South 18° 49' 15" East, a distance of 1300.00 feet;

South 26° 57' 32" East, a distance of 101.02 feet;

South 18° 49' 15" East, a distance of 40.58 feet to a point of curve;

Along said curve to the right with a Delta of 51° 24' 28" and a Radius of 388.45 feet and a Long Chord of South 08° 52' 59" West, a distance of 338.96 feet;

South 32° 35' 13" West, a distance of 1199.59 feet to a point of curve;

Along said curve to the left with a Delta of 32° 35' 13" and a Radius of 111.55 feet and a Long Chord of South 16° 17' 36" West, a distance of 62.59 feet;

South 00° 00' 00" West, a distance of 483.91 feet;

South 05° 56' 15" East, a distance of 100.54 feet;

Page One

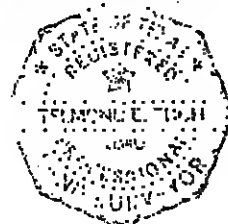


EXHIBIT 1

(continued)

South 00° 00' 00" West, a distance of 78.03 feet to a 5/8 inch iron rod with a red cap set on line at a point of curve for this 183.20 acres being described;

Along said curve to the right with a Delta of 89° 58' 39" and a Radius of 223.85 feet and a Long Chord of South 44° 59' 19" West, a distance of 316.51 feet;

South 89° 58' 39" West, a distance of 1324.20 feet to a point of curve;

Along said curve to the right with a Delta of 90° 51' 26" and a Radius of 223.85 feet and a Long Chord of North 44° 35' 38" West, a distance of 318.93 feet to a 5/8 inch iron rod with a red cap set on line at a point of tangent for this 183.20 acres being described;

North 00° 50' 05" East, a distance of 61.06 feet;

North 14° 31' 12" East, a distance of 102.92 feet;

North 00° 50' 05" East, a distance of 3315.95 feet to a point of curve;

Along said curve to the right with a Delta of 88° 11' 14" and a Radius of 199.50 feet and a Long Chord of North 44° 55' 42" East, a distance of 277.64 feet to a 5/8 inch iron rod with a red cap set on line at a point of tangent for this 183.20 acres being described;

North 89° 01' 19" East, a distance of 68.61 feet;

South 90° 00' 00" East, a distance of 99.98 feet;

North 85° 00' 49" East, a distance of 30.85 feet to the toe of the existing ramp.

THENCE along the toe of the existing ramp with the following courses and distances:

North 03° 45' 32" West, a distance of 29.32 feet;

North 16° 13' 17" East, a distance of 74.74 feet;

North 28° 56' 31" East, a distance of 88.26 feet;

North 32° 10' 03" East, a distance of 91.41 feet;

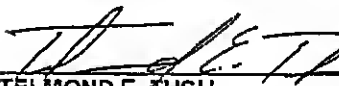
North 22° 33' 31" East, a distance of 29.23 feet;

North 45° 38' 04" East, a distance of 17.24 feet for a corner of this 183.20 acres being described;

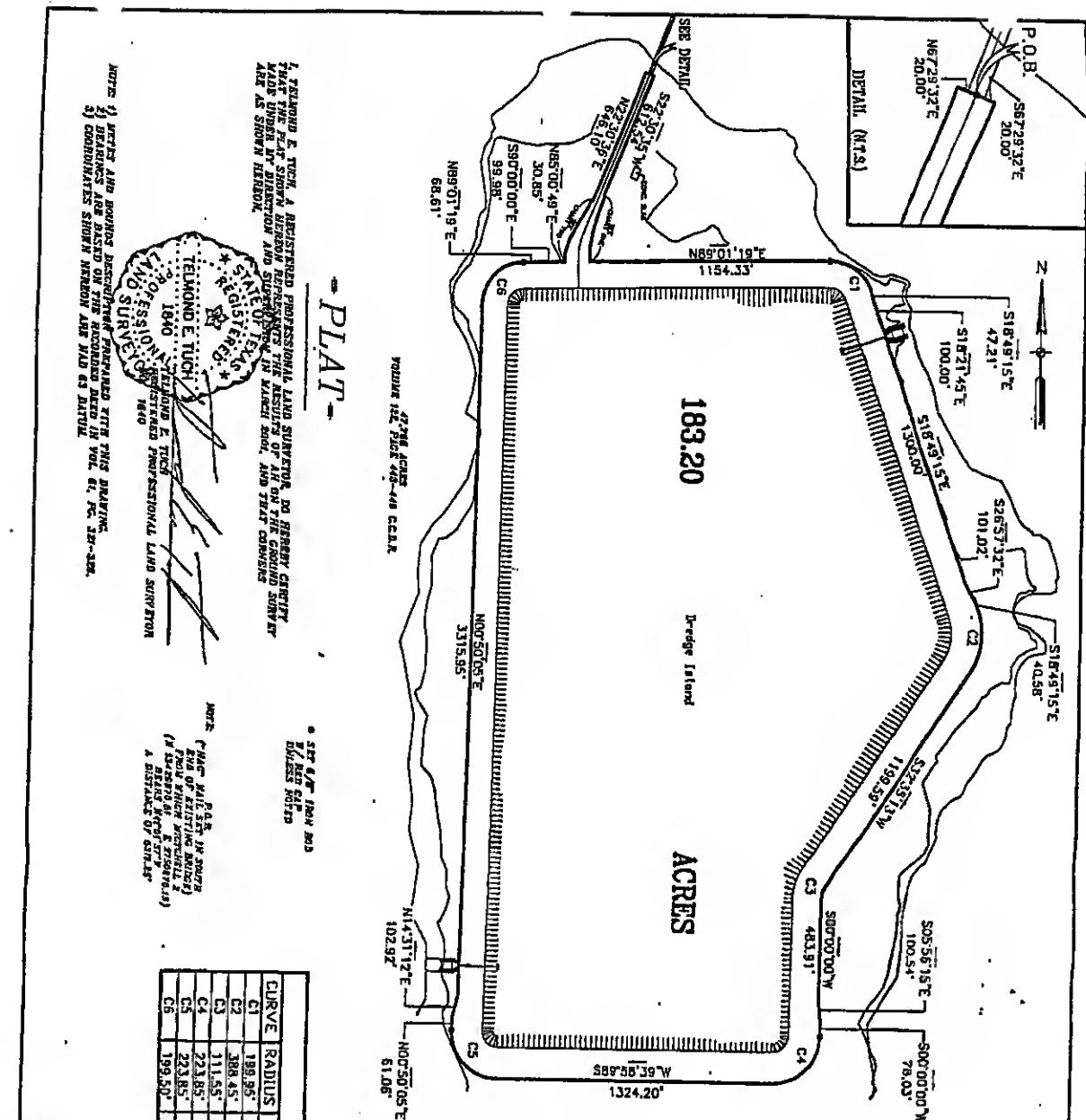
THENCE North 22° 30' 35" East, with a line that is 20.00 feet West of and parallel to the centerline of the existing road, a distance of 646.10 feet to the Northwest corner of this 183.20 acres being described;

THENCE South 67° 29' 32" East, with the South line of the existing bridge a distance of 20.00 feet to the PLACE OF BEGINNING, containing within these metes and bounds 183.20 acres.

This fieldnote description and a plat were prepared from a survey made on the ground under my direction in March 2001, and is true and correct to the best of my knowledge and belief.

  
TELMOND E. TUCH  
REGISTERED PROFESSIONAL  
LAND SURVEYOR, NO. 1840





I, TILMOND E. TUCK, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THAT THE PLAT SHOWN HEREON WAS PREPARED BY ME OR UNDER MY CLOSE PERSONAL SUPERVISION AND THAT THE CORNERS AND AS SHOWN HEREON.

STATE OF TEXAS  
COUNTY OF CLAY  
TILMOND E. TUCK  
REGISTERED PROFESSIONAL LAND SURVEYOR  
1640

NOTE: 1) BEARINGS AND DISTANCES DESCRIBED WERE OBTAINED BY THE FOLLOWING METHODS:  
2) BEARINGS WERE OBTAINED BY THE FOLLOWING METHODS:  
3) COORDINATES SHOWN HEREON ARE WAD 83 DATUM.

NOTE: 1) BEARINGS AND DISTANCES DESCRIBED WERE OBTAINED BY THE FOLLOWING METHODS:  
2) BEARINGS WERE OBTAINED BY THE FOLLOWING METHODS:  
3) COORDINATES SHOWN HEREON ARE WAD 83 DATUM.

CURVE	RADIUS	DELTA	LONG CHORD	DISTANCE
C1	189.95'	72°09'28"	554.53'±	235.50'
C2	388.45'	51°24'28"	506.52'±	336.96'
C3	111.55'	37°35'13"	516.17'±	62.50'
C4	221.85'	89°58'39"	544.59'±	316.61'
C5	223.85'	90°51'26"	544.59'±	316.61'
C6	199.50'	86°11'14"	544.53'±	277.64'

CHART TWO		
LINE	BEARING	DISTANCE
L1	N05°45'32"W	29.32'
L2	N16°13'17"E	74.24'
L3	N26°56'31"E	88.26'
L4	N32°10'03"E	91.41'
L5	N22°33'31"E	29.23'
L6	N45°38'04"E	17.24'

CHART ONE		
LINE	BEARING	DISTANCE
L1	S01°57'41"E	13.97'
L2	S19°52'44"W	75.53'
L3	S15°56'30"W	92.43'
L4	S09°49'31"W	64.43'
L5	S01°12'51"W	48.55'
L6	S05°54'59"E	21.88'

PLAT SHOWING 183.20 ACRES SITUATED IN AND A PART OF 47.796 ACRES SITUATED IN THE TOWNSHIP 12E, RANGE 48N, 48E OF THE CLAY COUNTY SURVEY, 14, AND 25 IN CLAY COUNTY, TEXAS.

**G & W** ENGINEERS, INC.

• ENGINEERING • SURVEYING • ARCHITECTURE • PLANNING

205 W. Live Oak St. Port Lavaca, Texas 77979 (361)552-4509

DRAWN BY: J.H.D.

CHECKED BY: H.A.D.

DATE: MARCH 8, 2001

REVISIONS:

SCALE: 1" = 500'

FILE NO.: 9252-411C

JOB NUMBER: 9252-411

SHEET NO.: 1 of 1

## Exhibit 2

# Plan Requirements

### Part One – Plan Topics

The Preliminary and Final Plans will address the following (herein, the "Plan Topics"), along with such other matters as the Parties may elect to include:

- a. **Scope of Dredging Event or Project.** The plan will identify the dredging project and state its material elements. In particular, the plan will state at least the following information: (i) the location of the dredging project, (ii) the result sought to be obtained as a result of the project, (iii) when the project is to begin and how long it is expected to take to complete, (iv) the methods to be employed in carrying out the dredging project, (v) the number, type and capacity of the machinery to be employed in undertaking the project, (vi) the amount and type of material that is expected to be removed from the dredge site, (vii) the expected spoiling requirements of the project, stated in terms of the total volume and volumes deposited per unit of time (rates of spoil deposits), and (viii) any known or anticipated special conditions or unusual circumstances to be accommodated by the project. Some of this information for the preliminary plan may be available from the District's requests for proposal or bid packages, and if so, the same should be included.
- b. **Initial Pre-Dredging Survey.** The plan will provide for an initial cross-sectional survey, to be conducted at the District's sole cost and expense, of the dredge project site. The survey is to be performed by a qualified and licensed surveyor or engineer. This survey will provide the baseline for measurement of the material in-place for purposes of determining the CDF capacity utilized by the District as a result of the project. The identity and qualifications of the surveyor should be disclosed in the plan, as well as the timing for the initial survey (if the survey itself is not made a part of the plan).
- c. **Properties of and Conditions Affecting Slurry and Spoil.** The plan will contain as much information as is known or reasonably ascertainable about the properties of the material to be removed, the transportation slurry, and the spoil as well as the conditions or circumstances that can be anticipated to affect those substances in ways that may require particular accommodation in the spoiling or disposal process. In particular, the results of any pre-dredge sediment sampling conducted of the material to be removed and deposited in the CDF in connection with the project must be included in the plan. If there are substantial differences in the properties of materials removed from place to place within the dredge site, the timing of removal of those differing materials should be specified so that any necessary adjustments to the scheduling and or location of disposal within the CDF can be made.
- d. **Transport and Deposit of Slurry and Spoil.** The plan must address and specify the details surrounding the transportation and containment of slurry to the extent that it must be conveyed over property of Alcoa on the way in to the CDF, the location and means of depositing the material into the CDF, and the means of accommodating other CDF operations during spoil disposal. In particular, the plan will need to set forth or contain (i) the projected percent solids of the slurry during discharge of dredge material into the CDF, (ii) the dredge discharge procedures that will be used to minimize the solids load



in the decant water, (iii) maps, drawings or other depictions, in plan view, showing the approximate location of the pipe or other conduit that will be used to move dredge slurry material from the dredge area to the CDF, (iv) the design for, and location of, the dredge material discharge pipe on Dredge Island and in the CDF, and (v) details of all steps necessary to minimize or prevent damage to the CDF dikes and to allow for normal traffic and operations on Dredge Island.

- e. **Operational Issues.** The plan will address operational issues, including (but not limited to) (i) contact information for the District, Alcoa and their respective contractors, agents and consultants involved in the dredging project, (ii) identity of authorized persons for decisions during execution of the plan, (iii) procedures for periodic progress reporting and coordination with scheduling contained within the plan, (iv) provisions for access to the dredge site, the transportation route and the CDF by all Parties needing the same, (v) provisions for inspections of facilities and installations used in carrying out the project by all Parties reasonably having a need therefor, (vi) exchange of relevant information between the District and Alcoa from permits, contracts, authorizations, and other documents relating to the project so as to allow coordination and reasonable oversight of the respective responsibilities of the Parties, (vii) emergency procedures and safety requirements applicable to access to and operations on property of the respective Parties, and (viii) responsibility for the repair of damage to the CDF or other property caused as a result of the spoil disposal operations. The plan will be subject to those terms, conditions and requirements that are set forth in the Contract for Dredge Spoil Disposal Capacity entered into by the Parties and to which these Plan Requirements are made a part unless a contrary intent is clearly expressed by the Parties in the Plan.
- f. **Measurement; Post Dredging Surveys.** The plan will provide in detail for the identification within the CDF of spoil material deposited by the District and the segregation thereof from, or the separate accounting for, spoil deposits from other dredging operations. In addition, the plan will provide for the conduct, at the District's sole cost and expense, of a separate cross-sectional survey of the site actually dredged in the course of the project. Just as is the case with the initial survey, the post-dredging survey is to be performed by a qualified and licensed surveyor or engineer. This survey will be compared with the baseline provided by the initial survey in order to measure the amount of material in-place removed in the dredging project for purposes of determining the CDF capacity utilized by the District as a result of spoiling from the project. The identity and qualifications of the surveyor should be disclosed in the plan, and the methods applicable to and a concrete timetable for the conduct of the post-dredging survey will be established, as well as a detailed method of calculation of the CDF capacity utilized by the District in connection with the project.
- g. **Special Provisions.** The plan will identify and address relevant aspects of any special or unusual circumstances or conditions applicable to the dredging project or that may be reasonably anticipated to be encountered as a result of conduct of the dredging project, to the extent not otherwise addressed in the plan.

## **Part Two – Procedure for Adoption of Final Plan**

The District is responsible to submit to Alcoa, at least 60 days prior to the anticipated commencement of a dredging project a Preliminary Plan addressing, to the extent practicable, all of the above Plan Topics. Within thirty (30) days after receipt of the Preliminary Plan, a Plan

Conference will be held between the Parties, the purpose of which is to complete and finalize the Preliminary Plan and to adopt a Final Plan addressing all of the Plan Topics and covering any other areas that the Parties may elect to include. The Final Plan will establish the procedures applicable to the use by the District of spoil disposal capacity in the CDF as a result of a dredging project undertaken by it.

### **Part Three – Additional Final Plan Requirements**

In any Final Plan adopted by the Parties, the following general requirements shall be applicable:

The District will provide Alcoa with copies of all correspondence between it and the Corps of Engineers, TNRCC and any other agency that regulates and/or permits the activities to be conducted by the District in connection with the dredging project, including all notices, authorizations, etc.

Activities of the District in connection with dredging projects shall be planned and conducted in such a way as to not unreasonably interfere with the normal operations by Alcoa at its facilities, including the CDF or other installations on Dredge Island.

The District and Alcoa will each allow access to the operations of the other in connection with a dredging project to, consistent with the other requirements hereof, monitor the dredging activities, the transportation of slurry material, and the placement of dredge material in the CDF. Each party shall have the right to condition such access on the compliance with safety and security measures as are ordinarily applicable to access by third parties in similar situations.

Alcoa shall be entitled to inspect all piping, discharge lines, buoys, markers, lighting, and other elements of the transportation and discharge facilities prior to commencement of a dredging project making use of the CDF.

Alcoa shall manage the decant from the CDF and shall retain the right to shut down the dredging operation in the event that dredge decant sampling indicates that water quality criteria identified in Alcoa's permit and water quality certificate are exceeded, consistent with the terms and conditions of the permit and water quality certificate.

**TERM EASEMENT AND RIGHT-OF-WAY FOR ACCESS TO AND USE OF DREDGE  
ISLAND BRIDGE**

STATE OF TEXAS

§

KNOW ALL MEN BY THESE PRESENTS.

COUNTY OF CALHOUN

§

§

This Term Easement for access to and use of the Dredge Island Bridge is entered into by and between **Alcoa World Alumina LLC**, (hereinafter "Grantor"), a Delaware limited liability company, and the **Calhoun County Navigation District**, (hereinafter "CCND" or "Grantee"), a navigation district duly formed and existing under the laws of the State of Texas, whose mailing address is P.O. Box 397, Point Comfort, Texas, 77978.

**1. GRANT OF EASEMENTS.**

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, Grantor GRANTS AND CONVEYS to Grantee, for the term hereinafter expressed, a non-exclusive easement and right-of-way upon and across the existing wood piling bridge situated on submerged lands in State Mineral Block 13 that are owned by Grantee and leased by Grantee to Grantor under that certain 1982 Lease Agreement by and between the CCND and The Aluminum Company of America, which lease agreement is recorded in Volume 356, Page 681 of the Official Public Records of Calhoun County, Texas (as the same may be renewed, extended, amended or otherwise modified, the "1982 Lease"). The aforementioned bridge connects the spoil island in Lavaca Bay, Calhoun County, Texas, known as Dredge Island to the mainland, and the same is hereinafter referred to as the "Dredge Island Bridge." The Dredge Island Bridge and the location of the easement and right-of-way are depicted and more fully described on Exhibit 1 attached hereto and incorporated herein.

This grant is subject to all of the terms, conditions and limitations set forth in this instrument and to all restrictions, leases, liens, encumbrance and other matters that are of record and affect title to the Property and/or to the easements here conveyed. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, GRANTOR MAKES NO WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE CONCERNING THE USEFULNESS, CONDITION, MAINTENANCE, REPLACEMENT, REPAIR OR ANY OTHER ATTRIBUTE OR ASPECT OF, OR OF ANY CONDITION NOW OR HEREAFTER AFFECTING, THE DREDGE ISLAND BRIDGE OR ANY OF THE RIGHTS AND PRIVILEGES HEREIN GRANTED.

**2. PURPOSE AND CHARACTER OF EASEMENT.**

This easement, with all of its rights and privileges, shall be for the exclusive purpose of affording access to Grantee, its successors and assigns, to its property located on the south end of Dredge Island, the same being that more particularly described on Exhibit 2 attached hereto and

made a part hereof (the "CCND South End"). The easement granted is an easement appurtenant to the CCND South End.

**3. TERM OF EASEMENT.**

The easement here granted is a term easement, expiring automatically ninety (90) days after the expiration or any earlier termination of the 1982 Lease.

**4. MAINTENANCE OF DREDGE ISLAND BRIDGE.**

Grantor shall, for the period expiring on the fifth (5<sup>th</sup>) anniversary of the date hereof, be responsible for the normal maintenance and upkeep of the Dredge Island Bridge, as needed to preserve it in substantially its present condition, normal wear, tear and damage by casualty excepted. This notwithstanding, Grantee shall, during the term of this Easement, be responsible for repairs or replacements to the Dredge Island Bridge (and/or its components) made necessary by damage to the Dredge Island Bridge (and/or its components) to the extent caused by Grantee, its agents or employees. Otherwise, neither Grantee nor Grantor shall be responsible for repair or replacement due to loss or damage to or the destruction of the Dredge Island Bridge caused by hurricane, storm, collision, fire or other casualty. Grantee may, at its sole cost and expense, secure such insurance coverage as it may deem necessary to cover loss or damage due to casualty.

**5. AMENDMENTS TO AGREEMENT.**

Any oral representation or modifications concerning this Agreement shall be of no force and effect. Any subsequent amendment or modification must be mutually agreed upon in writing by all Parties.

**6. DISPUTE EXPENSES AND ATTORNEYS' FEES.**

In any controversy, claim, or dispute arising from or relating to this Agreement or its breach, the prevailing party shall be entitled to recover from the other party reasonable expenses, attorneys' fees, and costs. This Agreement relates to and concerns land located in Calhoun County, Texas. Venue for actions to interpret or enforce this Agreement shall be in state district court in Calhoun County, Texas or the federal district court for the Southern District of Texas, Victoria Division.

**7. BINDING EFFECT.**

This Agreement shall bind and inure to the benefit of the respective Parties and their affiliates, subsidiaries, parent companies, representatives, successors, and assigns.

**8. INCORPORATION BY REFERENCE AND EFFECTIVE DATE.**

This Agreement is entered into pursuant to the Settlement Agreement and Appendices attached thereto entered into by the CCND and Alcoa, Inc. dated January 31, 2002. This Agreement shall be executed simultaneously with the Settlement Agreement and shall be effective as of the Effective Date provided for in the Settlement Agreement.

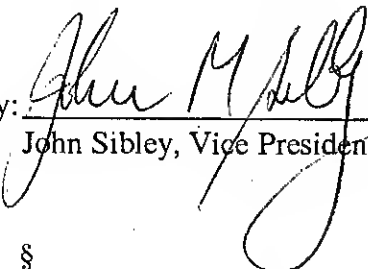
**TO HAVE AND TO HOLD** unto Grantee and its successors and assigns, for the term and subject to all of the terms, conditions, exceptions and other matters herein provided. To the exclusion of any and all other warranties, expressed or implied and subject to the aforementioned matters, Grantor binds itself and its successors and assigns to warrant and forever defend the easement estate here granted against every person whomsoever lawfully claiming or to claim the same or any part thereof, by through or under Grantor, but not otherwise.

*[Remainder of this page intentionally left blank; signature page follows]*

EXECUTED effective as of the 30<sup>th</sup> day of January, 2002.

"Grantor"

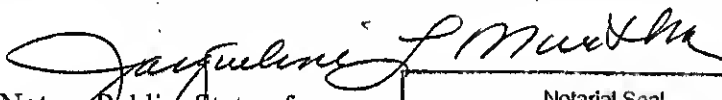
ALCOA WORLD ALUMINA LLC

By:   
John Sibley, Vice President

COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF ALLEGHENY

§  
§

This instrument was acknowledged before me on January 30<sup>th</sup>, 2002 by John Sibley, Vice President of Alcoa World Alumina LLC, a Delaware limited liability company, on behalf of said company.

  
Notary Public, State of \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Commission Expires: \_\_\_\_\_

Notarial Seal -  
Jacqueline L. Murtha, Notary Public  
Pittsburgh, Allegheny County  
My Commission Expires Jan. 24, 2003  
Member, Pennsylvania Association of Notaries

**FIELDNOTE DESCRIPTION  
0.60 ACRE  
17 FOOT WIDE ACCESS EASEMENT**

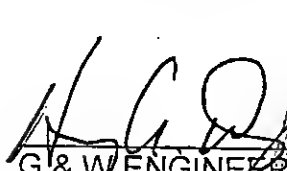
**STATE OF TEXAS        }  
COUNTY OF CALHOUN    }**

All of that certain tract or parcel containing 0.60 acre situated in State Drilling Block Number 13 and being a part of the same property described as 47,765 acres in Deed dated October 13, 1956 from the State of Texas to the Calhoun County Navigation District, recorded in Volume 122, Page 443-449 of the Deed Records of Calhoun County, Texas. The centerline of this 17 Foot Wide Access Easement is more particularly described by metes and bounds as follows:

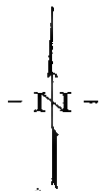
**BEGINNING** at an existing "MAG" nail (N13430983.65, E2747178.50) located in the North line of a 183.20 acre tract previously surveyed and at the center of the South end of an existing wood bridge connecting the mainland to the Dredge Island from which Mitchell 2 (N 13426970.81, E 2750670.13) bears South 41° 01' 37" East, a distance of 5319.25 feet;

**THENCE** North 22° 30' 51" East, along the center of the said existing wood, a distance of 1540.27 feet to the North end of the said wood bridge (N13432406.53, E2747768.28) for the **TERMINUS POINT** of the centerline of this 17 Foot Wide Access Easement being described, from which Mitchell 2 (N 13426970.81, E 2750670.13) bears South 28° 05' 43" East, a distance of 6161.79 feet.

This fieldnote description and a plat were prepared from a survey made on the ground under my direction in October 2001.

  
G & W ENGINEERS, INC.  
Henry A. Danysh  
Registered Professional  
Land Surveyor, No. 5088





SURVEY PLAT SHOWING  
0.60 ACRE  
17 FOOT WIDE ACCESS EASEMENT  
PART OF STATE DRILLING  
TRACT NO. 13  
CALHOUN COUNTY, TEXAS

BEING A PART OF THE SAME PROPERTY  
DESCRIBED AS 47,765 ACRES IN DEED  
DATED OCTOBER 13, 1956 FROM THE STATE  
OF TEXAS TO CALHOUN COUNTY NAVIGATION  
DISTRICT, RECORDED IN VOLUME 122, PAGE  
443 OF THE DEED RECORDS OF CALHOUN  
COUNTY, TEXAS

NOTE:  
P.O.B. - "MAG" NAIL SET AT THE SOUTH END  
OF AN EXISTING BRIDGE, FROM WHICH "MITCHELL 2"  
( N 13426970.81, E 2750670.13 ) BEARS  
S41°D1'37"E, A DISTANCE OF 5319.25 FEET.

LEGEND

—○— EXISTING "MAG" NAIL

TERMINUS POINT  
N 13432408.53  
E 2747768.28

EXISTING  
SHORELINE

BAY

BAY

1540.27'

BRIDGE

17' WIDE  
EASEMENT

MOOD

N22°30'51"E

EXISTING

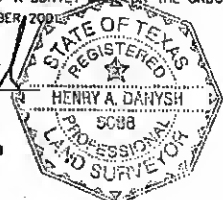
LAVACA

LAVACA

POINT OF BEGINNING  
N 13430583.65  
E 2747178.50

I, HENRY A. DANYSH, A REGISTERED PROFESSIONAL LAND  
SURVEYOR, DO HEREBY CERTIFY THAT THE PLAT SHOWN HEREON  
REPRESENTS THE RESULT OF A SURVEY MADE ON THE GROUND  
UNDER MY DIRECTION ON OCTOBER 20, 2001

G & W ENGINEERS, INC.  
HENRY A. DANYSH  
REGISTERED PROFESSIONAL  
LAND SURVEYOR NO. 5088



EXISTING SHORELINE

DREDGE

183.20 Acres  
Previously Surveyed

ISLAND

G & W ENGINEERS, INC.

205 W. LIVEDAK 1-361-552-4509 PORT LAVACA, TEXAS



FIELDNOTE DESCRIPTION  
77.23 ACRES

STATE OF TEXAS }  
COUNTY OF CALHOUN }

All of that certain tract or parcel containing 77.23 acres situated in State Drilling Tracts No. 14 and No. 15 of Calhoun County, Texas and being a part of the same property described as 47, 765 acre in Deed dated October 13, 1956 from the State of Texas to the Calhoun County Navigation District recorded in Volume 122, Pages 443-449 of the Deed Records of Calhoun County, Texas. This 77.23 acres is more particularly described by metes and bounds as follows:

**BEGINNING** at a 5/8 inch iron rod with red plastic cap set at the intersection of the Easterly projection of the South line of a 183.20 acre tract previously surveyed with the existing shoreline of Lavaca Bay for the Northeast corner of this 77.23 acres being described, from which "Mitchell 2" (Grid Coordinates N 13,426,948.96 and E 2,752,075.29) bears North 71° 38' 31" East, a distance of 2458.27 feet;

**THENCE** along the existing shoreline of Lavaca Bay with the following meanders:

South 36° 31' 49" East, a distance of 25.52 feet;  
South 29° 17' 02" West, a distance of 127.71 feet;  
South 08° 45' 35" West, a distance of 144.41 feet;  
South 20° 50' 07" West, a distance of 214.05 feet;  
South 24° 41' 30" West, a distance of 151.50 feet;  
South 06° 37' 58" West, a distance of 96.57 feet;  
South 13° 41' 08" East, a distance of 109.39 feet;  
South 08° 06' 50" West, a distance of 42.03 feet;  
South 24° 48' 44" West, a distance of 149.84 feet;  
South 11° 31' 32" West, a distance of 60.34 feet;  
South 01° 58' 22" East, a distance of 92.85 feet;  
South 07° 29' 24" West, a distance of 173.63 feet;  
South 10° 08' 15" East, a distance of 213.13 feet;  
South 09° 10' 45" West, a distance of 223.71 feet;  
South 33° 05' 05" West, a distance of 175.64 feet;  
South 08° 18' 02" West, a distance of 730.22 feet;  
South 29° 11' 19" West, a distance of 110.35 feet;  
South 51° 07' 38" West, a distance of 104.75 feet;  
South 74° 15' 40" West, a distance of 50.68 feet;  
North 82° 10' 06" West, a distance of 112.94 feet;  
North 72° 13' 24" West, a distance of 194.82 feet;  
North 85° 26' 26" West, a distance of 144.54 feet;  
North 71° 52' 50" West, a distance of 84.97 feet;  
North 18° 36' 18" East, a distance of 169.62 feet;  
North 05° 49' 05" East, a distance of 79.58 feet;  
North 10° 17' 28" East, a distance of 60.00 feet;  
North 14° 10' 36" East, a distance of 77.54 feet;  
North 08° 13' 42" West, a distance of 39.73 feet;  
North 07° 02' 48" East, a distance of 96.51 feet;  
North 11° 30' 27" West, a distance of 152.89 feet;  
North 38° 49' 01" West, a distance of 34.17 feet;  
North 22° 27' 48" West, a distance of 52.39 feet;  
North 48° 17' 12" West, a distance of 84.73 feet;  
North 24° 26' 40" West, a distance of 54.51 feet;  
North 50° 48' 29" West, a distance of 308.34 feet;



FIELDNOTE DESCRIPTION  
77.23 ACRES


(continued)

North 04° 15' 44" East, a distance of 57.41 feet;  
North 25° 07' 08" West, a distance of 45.06 feet;  
North 46° 23' 08" East, a distance of 26.39 feet;  
North 10° 55' 37" East, a distance of 98.92 feet;  
North 19° 02' 14" West, a distance of 65.84 feet;  
North 35° 53' 30" West, a distance of 159.11 feet;  
North 06° 12' 19" West, a distance of 81.50 feet;  
North 21° 33' 50" West, a distance of 97.15 feet;  
North 41° 59' 19" West, a distance of 324.91 feet;  
North 03° 11' 38" West, a distance of 174.00 feet;  
North 24° 18' 07" East, a distance of 104.90 feet;  
North 12° 24' 55" East, a distance of 139.39 feet;  
North 11° 00' 51" West, a distance of 119.23 feet;  
North 32° 29' 09" West, a distance of 230.52 feet;  
North 10° 48' 21" East, a distance of 43.81 feet;

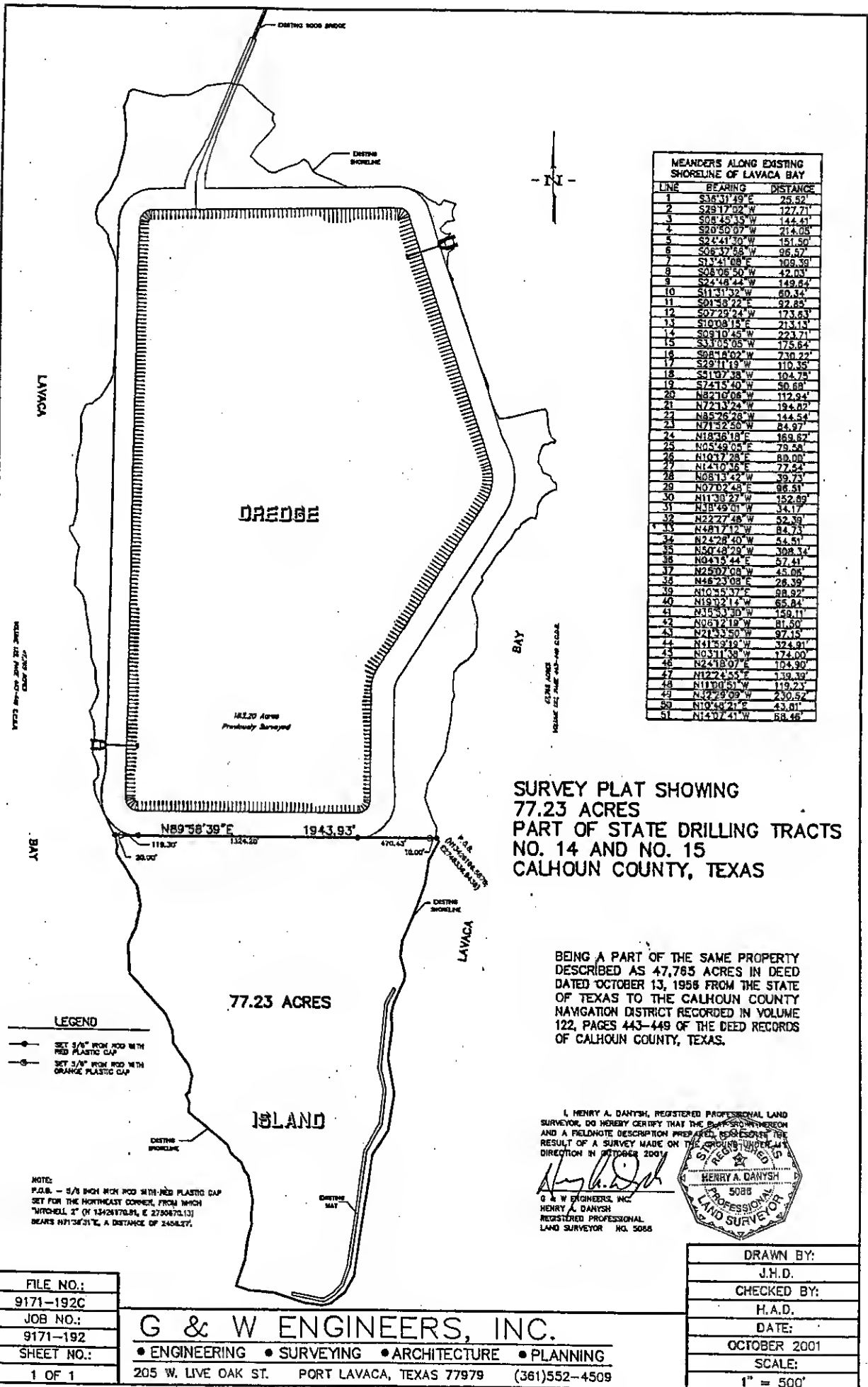
North 14° 07' 41" West, a distance of 68.46 feet to a 5/8 inch iron rod with red plastic cap set at the intersection of the Westerly projection of the South line of the above mentioned 183.20 acre tract with the existing shoreline of Lavaca Bay for the Northwest corner of this 77.23 acres being described;

THENCE North 89° 58' 39" East, pass a 5/8 inch Iron rod with orange plastic cap set on line at a distance of 20.00 feet and pass a 5/8 inch iron rod with red plastic cap set on line at a corner of the said 183.20 acre tract at a distance of 139.30 feet and continuing the same course with the South line of the said 183.20 acre tract, pass another 5/8 inch iron rod with red plastic cap set at another corner of the said 183.20 acre tract at a distance of 1463.50 feet and pass another 5/8 inch iron rod with orange plastic cap set on line at a distance of 1933.93 feet and continuing a total distance of 1943.93 feet to the PLACE OF BEGINNING, containing within these metes and bounds 77.23 acres.

This fieldnote description and a plat were prepared from a survey made on the ground under my direction in October 2001.

  
G & W ENGINEERS, INC.  
Henry A. Danysh  
Registered Professional  
Land Surveyor, No. 5088





## **RIGHT OF FIRST REFUSAL**

This Agreement granting a Right of First Refusal is made by and between **Alcoa World Alumina LLC** (hereinafter "Grantor"), a limited liability company organized and existing under the laws of the State of Delaware and **Calhoun County Navigation District** (hereinafter "CCND" or "Grantee"), a navigation district duly formed and existing under the laws of the State of Texas.

**WHEREAS**, Grantor is the owner of several tracts of real property in Calhoun County, Texas (hereinafter "Subject Property" or "Subject Properties"), the same lying situate within the area bounded on the east by Cox Creek, on the south and west by Lavaca Bay, and on the north by State Highway 35.

**WHEREAS**, it is the intention of the Parties that any reference to "Subject Property" in this Agreement shall mean one or more of the Subject Properties or all or part of any particular Subject Property.

**WHEREAS**, Grantee desires to acquire the right to have the first right of refusal to purchase any part of the Subject Property:

- (a) that Grantor may, on the date hereof and thereafter at any time during the term specified below, designate as surplus and elect to offer for sale to the general public, or
- (b) that is the subject of an offer to purchase received by Grantor from an unaffiliated third party, which offer (i) is not a part of or incident to a Business Transaction, as that term is defined below, and (ii) is one that Grantor is willing to accept.

Any such portion of the Subject Property is referred to herein as "Surplus Property."

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

**1. GRANT OF RIGHT OF FIRST REFUSAL.** Grantor hereby grants to Grantee the right of first refusal to purchase any Surplus Property. If Grantor shall determine to designate any of the Subject Property as Surplus Property and place the same on the market to the general public (in which case, such Surplus Property is herein referred to as "Designated Surplus Property") or if Grantor receives an offer as to a portion of the Subject Property that renders such property, under the definition above, Surplus Property (in which case, such Surplus Property is herein referred to as "Offered Surplus Property"), Grantor shall, before either listing the Designated Surplus Property or advertising it for sale to the public or accepting the offer received for Offered Surplus Property (as the case may be), give written notice to Grantee, in the time and manner specified below, of its designation and intention to market the Designated Surplus Property and (if established) Grantor's asking price for the same or, if applicable, the terms of the offer received for Offered Surplus Property and Grantor's willingness to sell for that price and on those terms.

**2. NOTICE AND TIME PERIOD.** The written notice described in the foregoing section shall be given by Grantor to Grantee by depositing the same in the U.S. Mail, addressed to Grantee at its address appearing in Section 8 below. Grantee shall have the right, for a period up to and including thirty (30) days from the date such written notice was mailed to Grantee (the "Offer Period"), in which to make an offer to purchase such Surplus Property (in the case of Designated Surplus Property) or match the offer received by Grantor for such Surplus Property (in the case of Offered Surplus Property).

If at the time Grantor provides Grantee with the written notice described above, Grantor has in its possession or control an environmental assessment, study, report or other analysis constituting environmental due diligence, Grantor shall attach a copy of said environmental assessment to its written notice.

**3. OPTIONAL EXTENSION OF TIME PERIOD.** Grantee shall, upon receipt of the notice described in Section 2 above, have the right to extend the initial Offer Period one time for an additional thirty (30) days. If Grantee elects to exercise its right to an extension of the Offer Period, Grantee shall notify Grantor in writing at least 5 days before the end of the initial Offer Period and with such notice tender payment to Grantor consideration in the amount of one thousand dollars (\$1,000.00) in cash.

**4. EXERCISE OF RIGHT.** If Grantee, having received the notice described in Section 2, elects to make an offer for Designated Surplus Property, it shall prepare and submit to Grantor within the Offer Period (or an extension thereof) a proposed contract for the purchase of such Surplus Property, which Grantor may accept, reject or counter. If Designated Surplus Property is put under contract for sale to Grantee in the manner here specified, that Designated Surplus Property shall not again become subject to the provisions hereof if the contract should fail to close by reason of any contingency stated therein, and Grantor may proceed with its efforts to market such Designated Surplus Property to the public or otherwise. Similarly, if negotiations for the purchase by Grantee of Designated Surplus Property – having been commenced by Grantee's submission of a proposed contract in accordance with the provisions of this Section 4 – are subsequently terminated without the execution of a contract for sale, Grantor may proceed with its efforts to market such Designated Surplus Property to the public or otherwise. Such Designated Surplus Property shall not thereafter become subject to the provisions hereof. If, having received the notice described in Section 2, Grantee elects to meet the third party offer for Offered Surplus Property, Grantee must notify Grantor of that election within the Offer Period (or an extension thereof), by depositing in the U.S. mail a written notice of its adoption of offered terms. The giving of such notice by Grantee shall create a binding contract of purchase and sale between Grantor and Grantee upon all of the terms and conditions contained in the third party offer for such Offered Surplus Property. If Offered Surplus Property is put under contract to Grantee in the manner here specified, that Offered Surplus Property shall not again become subject to the provisions hereof if the contract should fail to close by reason of any contingency stated therein, and Grantor may thereafter sell such property free of the right of first refusal here granted.

**5. AUTOMATIC TERMINATION.** If, during the Offer Period (or during an extension thereof pursuant to Section 3 above) Grantee does not make an offer for Designated Surplus Property or issue notice of its adoption of offered terms for Offered Surplus Property, then Grantor need not take any action whatsoever; and Grantee will be deemed to have refused the opportunity to

purchase the Surplus Property described in the notice and designation. If (i) Grantee elects not to make or is deemed not to have either made an offer or given notice of adoption of offered terms within the Offer Period, (ii) a contract for the sale of Surplus Property to Grantee entered into pursuant to Section 4 fails to close and terminates by reason of any contingency stated therein, or (iii) negotiations for the purchase by Grantee of Surplus Property commenced pursuant to Section 4 terminate, Grantor is and shall thereafter at all times be free to market and sell the Surplus Property to any person or entity, free of any restriction imposed by this Agreement and free of any right of Grantee hereunder.

**6. EXTENT OF RIGHT.** The rights of Grantee hereunder extend only to that portion of the Subject Property constituting Surplus Property from time to time. This Agreement confers no rights whatsoever upon Grantee in connection with any other lands or transactions involving lands owned by Grantor, and in particular, the rights of Grantee hereunder do not extend to property or rights in property that are hereafter transferred as a part of, in connection with, or as an incident to any Business Transaction. In this Agreement, the term "Business Transaction" means and includes any sale, assignment, contribution, transfer, conveyance, merger, conversion, reorganization or other transaction of any kind or nature whatsoever to which Grantor is a party and which is or involves the transfer or disposal of ongoing industrial operations of or of a business conducted by Grantor or an affiliate of Grantor, and is not primarily a disposal of land and/or improvements no longer operated or deemed necessary by Grantor or an affiliate of Grantor to the conduct of industrial plant operations in Calhoun County by outright sale. By way of example (but not by way of limitation), a transfer of land or improvements to a joint venture of which Grantor or an affiliate of Grantor is a party, or a sale of land incident to the sale of assets of all or any part of the plant as an ongoing operation would be part of or incident to a Business Transaction and would not give rise to any rights of Grantee hereunder.

**7. ASSIGNABILITY OF RIGHT.** This Right of First Refusal shall not be assignable by Grantee without the written consent of both Parties.

**8. NOTICES.** Unless otherwise provided herein, any notice, tender, or delivery to be given hereunder by either Party may be effectuated by personal delivery in writing or by registered or certified mail, postage prepaid, return receipt requested, and shall be deemed to have been given as of the date the same is deposited into the mail. Mailed notices shall be addressed as set forth below, but each party may change its address by written notice in accordance with this paragraph.

Grantee: **Port Director  
Calhoun County Navigation District  
P.O. Box 397  
Point Comfort, Texas, 77978**

Grantor: **Alcoa World Alumina, LLC  
Real Estate Department  
201 Isabella Street  
Pittsburgh, PA 15212-5858**

with a copy to **Alcoa Inc.  
Operations Manager  
P.O. Box 101  
Point Comfort, TX 77978-0101**

**9. GOVERNING LAW; NO RECORDATION; REMEDIES.** This Agreement relates to and concern acts and events taking place in, or lands located in, Texas and shall be interpreted, construed, and enforced in accordance with the laws of the State of Texas. Except as otherwise specifically provided for in the Settlement Agreement or the attached Appendices, venue for actions to interpret or enforce this Agreement or shall be in state district court in Calhoun County, Texas or the federal district court for the Southern District of Texas, Victoria Division.

Each of the Parties agrees that it will neither record nor in any manner cause this Agreement to be placed of record in any public office, including in the Office of the County Clerk of Calhoun County, Texas among the Official Public Records of Calhoun County, Texas; it being understood by the Parties that this is a personal agreement between them.

In the event of a breach of this Agreement by Grantor which prevents Grantee from exercising its right to purchase Designated Surplus Property or Offered Surplus Property, the Parties expressly agree that, cumulative of and in addition to any other rights or remedies available to Grantee at law or in equity, Grantee shall have the right to seek a decree of specific performance of such obligation. Grantor stipulates that no showing of irreparable harm or of the inadequacy of an alternative legal remedy by Grantee shall be a prerequisite to Grantee's right to seek such a decree. If, due to the prior sale and delivery of lands constituting Surplus Property by Grantor to a third party, a decree of specific performance would not be effective, Grantee may, as an alternative to its other remedies hereunder, elect to recover liquidated damages in an amount equal to the greater of the purchase price paid by such third party to Grantor for the Surplus Property that Grantee was prevented from purchasing, or the fair market value of such Surplus Property; the Parties hereby acknowledging that liquidated damages in such an amount would reasonably approximate the actual damages to Grantee.

**10. AMENDMENTS.** This Agreement contains the entire agreement between the Parties relating to its subject matter. Any oral representation or modifications concerning this Agreement shall be of no force and effect. Any subsequent amendment or modification must be in writing and agreed to by both Parties.

**11. DISPUTE EXPENSES AND ATTORNEY'S FEES.** If any controversy, claim, or dispute arises relating to this Agreement or its breach, the prevailing party shall be entitled to recover from the other party reasonable expenses, attorneys' fees, and costs.

**12. BINDING EFFECT.** This Agreement shall be binding upon and inure to the benefit of the respective Parties and their affiliates, subsidiaries, parent companies, heirs, assigns, and successors in interest.

**13. INCORPORATION BY REFERENCE AND EFFECTIVE DATE.** This Agreement expressly incorporates by reference the Settlement Agreement and Appendices attached thereto entered into by the CCND and Alcoa Inc. dated January 31, 2002. This Agreement shall be executed simultaneously with the Settlement Agreement and shall be effective as of the Effective Date provided for in the Settlement Agreement.

*[Remainder of this page intentionally left blank; signature page follows]*



IN WITNESS HEREOF, the CCND and Alcoa execute this Agreement as of the 31 day of January, 2002.

"Alcoa"

ALCOA WORLD ALUMINA LLC

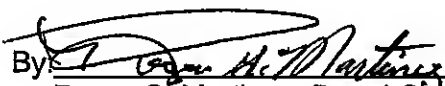
"CCND"

CALHOUN COUNTY NAVIGATION DISTRICT

By: \_\_\_\_\_

John Sibley, Vice President

By: \_\_\_\_\_

  
Roger G. Martinez, Board Chairman

IN WITNESS HEREOF, the CCND and Alcoa execute this Agreement as of the 31 day of January, 2002.

"Alcoa"

ALCOA WORLD ALUMINA LLC

"CCND"

CALHOUN COUNTY NAVIGATION DISTRICT

By: 

John Sibley, Vice President

By: \_\_\_\_\_

Roger G. Martinez, Board Chairman

**SPECIAL WARRANTY DEED CONVEYING  
NORTH END OF DREDGE ISLAND**

(with Restrictive Covenant and Reservation of Easements Appurtenant in favor of Grantor)

STATE OF TEXAS                    §     KNOW ALL MEN BY THESE PRESENTS  
COUNTY OF CALHOUN           §

**WHEREAS**, Article 16, Section 59 of the Texas Constitution authorizes the conservation and development of all natural resources of this State, including navigation of inland and coastal waters, through the creation of conservation and reclamation districts such as the Calhoun County Navigation District (hereinafter "CCND" or "Grantor");

**WHEREAS**, the CCND is the record owner of the property more particularly described by metes and bounds on Exhibit 1 attached hereto and incorporated herein (hereinafter the "Subject Property") which it obtained by patent from the State of Texas under the provisions of Article 8225, Revised Civil Statutes of Texas, 1925, repealed, now Texas Water Code Sections 61.115-61.117;

**WHEREAS**, the CCND owns no mineral interest in the property to be conveyed, the same being owned by the State of Texas by virtue of the reservation thereof in the patent to-CCND.

**WHEREAS**, the CCND and Aluminum Company of America (now known as Alcoa Inc.) (hereinafter "Alcoa") entered into the 1982 Lease Agreement dated June 16, 1982 (hereinafter the "1982 Lease"), covering portions of CCND owned lands, including the Subject Property; said 1982 Lease Agreement having been recorded in Volume 356, Page 681 of the Official Public Records of Calhoun County, Texas;

---

**WHEREAS**, the Subject Property, in its entirety, is located within the Alcoa (Point Comfort)/Lavaca Bay Superfund Site (hereinafter "the Superfund Site"), said Superfund Site having been placed on the National Priorities List effective March 25, 1994. 59 FED. REG. 8724 (February 23, 1994);

**WHEREAS**, pursuant to the Administrative Order on Consent and other documents made a part of the administrative record in U.S. EPA Docket No.6-11-94, Alcoa has initiated remedial investigations, feasibility studies and removal actions to address mercury contamination at the Superfund Site in accordance with the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. Chapter 103;

**WHEREAS**, Chapters 60 and 62 of the Texas Water Code, applicable to the CCND, permit the sale of land acquired by navigation districts from the State pursuant to Article 8225, Revised Civil Statutes of Texas;

**WHEREAS**, in conveying the Subject Property to Alcoa, it is the intent of the Parties that, for operational, navigational and safety reasons, the Subject Property shall never be used as a Commercial Port Facility as such term is defined herein.

**WHEREAS**, pursuant to the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, the CCND Board, by a resolution duly passed, declared the Subject Property as surplus property under Texas Water Code Section 60.038(b), in excess of the needs of the CCND and appropriate for sale; and

**WHEREAS**, by the Release dated of even Effective Date herewith, Alcoa released the Subject Property from the 1982 Lease Agreement;

**NOW THEREFORE**, Grantor, a navigation district duly formed and existing under the laws of the State of Texas, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, **GRANTS, SELLS, and CONVEYS** unto **Alcoa World Alumina LLC**, a limited liability company organized and existing under the laws of the State of Delaware with its principal offices at 201 Isabella Street, Pittsburgh, Pennsylvania 15212 (herein, "Grantee"), the Subject Property, comprising 183.20 acres more or less, located in Calhoun County, Texas, and more particularly described by metes and bounds on Exhibit 1 attached hereto, together with all improvements thereto and fixtures thereon.

It is expressly understood and agreed that the Subject Property is comprised of only uplands and that this Deed conveys no submerged lands. It is expressly understood and agreed that the Subject Property is comprised only of the surface estate and that this Deed does not convey the mineral estate or any mineral interests. It is expressly understood and agreed that this conveyance is made subject to the reservation of minerals by the State of Texas in the patent to the CCND.

It is expressly understood and agreed that, unless otherwise agreed to in writing by the Grantor, the Subject Property shall not be used for purposes of constructing or operating a Commercial Port Facility. A "Commercial Port Facility" shall be defined as wharves, docks, tank terminals or similar facilities for berthing, stevedoring, or other commercial maritime cargo handling activities which are open to and serving the maritime public. Nothing herein shall prevent the owner of the Subject Property from constructing or using wharves, docks or other maritime facilities for its own operations, or, with the prior written consent of Grantor, from leasing the Subject Property for such use by another. This restriction shall run with the land and shall be binding on all parties having any right, title, or interest in the property, in whole or in part, and their successors and assigns. This restriction is perpetual and shall be for the benefit of all CCND owned lands in Calhoun County, Texas. The Grantor shall have the right to enforce the restriction by any proceeding at law or in equity. Failure to enforce the restriction shall not be deemed a waiver of the right of enforcement. All waivers must be in writing and signed by Grantor.

There is however **RESERVED** unto Grantor from the conveyance here made, two non-exclusive, permanent and perpetual easements over and upon the Subject Property at the locations specified below and upon all of the terms, conditions and limitations set forth in the succeeding numbered paragraphs of this instrument.

1. **CHARACTER OF EASEMENTS.** The easements here reserved are easements appurtenant to the dominant tenement, which is that certain tract or parcel of land owned by Grantor and being the southern end of the spoil island located in Lavaca Bay, Calhoun County, Texas and known as Dredge Island. The dominant tenement is more fully described on Exhibit 2 attached hereto, and is hereinafter referred to as the "CCND South End."

2. **LOCATION OF ACCESS EASEMENT.** The first of the two easements here reserved is an easement and right-of-way located upon and extending to all roads and ways upon the outer slope and top of the dike wall that surrounds the Confined Disposal Facility ("CDF") that is located upon the Subject Property and to all lands reasonably necessary to provide Grantee with access to the CCND South End. Such easement and right-of-way is referred to herein as the "Access Easement."

3. **LOCATION OF FILL EASEMENT.** The second of the two easements here reserved extends from the south line of the Subject Property to and up the surface of the outer slope of the south dike wall surrounding the CDF to the top of such dike wall, between the east and west lines of the Subject Property. This easement also encompasses the area above such surface to a height no greater than the height of the top of such south dike wall. Such easement is referred to herein as the "Fill Easement."

4. **PURPOSE OF EASEMENTS.** The Access Easement, with all of its rights and privileges, shall be for the exclusive purpose of affording access to CCND, its successors and assigns, to the CCND South End in connection with its use thereof. The Fill Easement, with all its rights and privileges, shall be for the exclusive purpose of providing an area for containment of dredge spoil deposited by Grantor, its successors or assigns on the CCND South End. Grantor and Grantee acknowledge that as spoil material is placed on the CCND South End by Grantor, such material may accumulate upon and within the Fill Easement.

5. **NO RIGHTS OUTSIDE OF LANDS DESCRIBED.** This instrument does not grant or reserve rights in or to the Subject Property outside of the locations specified in the preceding numbered paragraphs hereof.

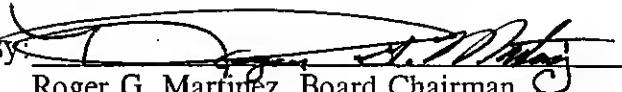
**TO HAVE AND TO HOLD,** the above described Subject Property, together with all the rights, improvements, and appurtenances lawfully accompanying it, by Grantee and the Grantee's successors and assigns forever, subject to the reservation hereinabove set forth. Grantor binds itself and Grantor's successors and assigns to warrant and forever defend the Subject Property against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through, or under Grantor but not otherwise.

This instrument is made and given pursuant to the terms of that certain Settlement Agreement and Appendices attached thereto entered into by the CCND and Alcoa dated January

31, 2002. This Agreement shall be executed simultaneously with the Settlement Agreement and shall be effective as of the Effective Date provided for in the Settlement Agreement.

EXECUTED this 31 day of January, 2002.

CALHOUN COUNTY NAVIGATION DISTRICT

By:   
Roger G. Martinez, Board Chairman

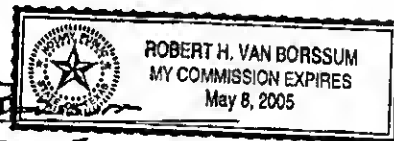
STATE OF TEXAS       §  
COUNTY OF CALHOUN §

This instrument was acknowledged before me on January 31, 2002 by Roger G. Martinez, Board Chairman of the Calhoun County Navigation District, a political subdivision of the State of Texas.

Notary Public, State of Texas

Printed Name: ROBERT H. VAN BORSSUM

Commission Expires: MAY 8, 2005



FIELDNOTE DESCRIPTION  
183.20 ACRES

STATE OF TEXAS }  
COUNTY OF CALHOUN }

All of that certain tract or parcel containing 183.20 acres situated in and being a part of a 47,765 acre tract described in Deed dated October 13, 1956 from the State of Texas to the Calhoun County Navigation District recorded in Volume 122, Pages 443-449 of the Deed Records of Calhoun County, Texas and also being a part of State Drilling Blocks No. 13, No. 14 and No 25 in Calhoun County, Texas. This 183.20 acres is more particularly described by metes and bounds as follows:

BEGINNING at a "MAG" nail set in the centerline of an existing road and at the South end of an existing bridge and in the North line of this 183.20 acres being described, from which Mitchell 2 (Grid Coordinates N 13,426,970.81' and E 2,750,670.13') bears North 41° 01' 37" West, a distance of 5,319.25 feet.

THENCE South 67° 29' 32" East, with the South line of the existing bridge, a distance of 20.00 feet for the Northeast corner of this 183.20 acres being described;

THENCE South 22° 30' 35" West, with a line that is 20.00 feet East of and parallel to the centerline of the existing road, a distance of 612.54 feet to the toe of the existing ramp for a corner of this 183.20 acres being described;

THENCE along the toe of the existing ramp with the following courses and distances:

South 01° 57' 41" East, a distance of 13.52 feet;  
South 19° 52' 44" West, a distance of 75.53 feet;  
South 15° 56' 30" West, a distance of 92.53 feet;  
South 09° 49' 31" West, a distance of 64.43 feet;  
South 01° 12' 51" West, a distance of 49.55 feet;  
South 05° 54' 59" East, a distance of 21.86 feet to the existing toe of the dike armor.

THENCE along the existing toe of the dike armor with the following courses and distances:

North 89° 01' 19" East, a distance of 1154.33 feet to a 5/8 inch iron rod with a red cap set on line at a point of curve for this 183.20 acres being described;

Along said curve to the right with a Delta of 72° 09' 26" and a Radius of 199.95 feet and a Long Chord of South 54° 53' 58" East, a distance of 235.50 feet;

South 18° 49' 15" East, a distance of 47.21 feet;  
South 18° 21' 45" East, a distance of 100.00 feet;  
South 18° 49' 15" East, a distance of 1300.00 feet;  
South 26° 57' 32" East, a distance of 101.02 feet;  
South 18° 49' 15" East, a distance of 40.58 feet to a point of curve;

Along said curve to the right with a Delta of 51° 24' 28" and a Radius of 388.45 feet and a Long Chord of South 06° 52' 59" West, a distance of 336.96 feet;

South 32° 35' 13" West, a distance of 1199.59 feet to a point of curve;

Along said curve to the left with a Delta of 32° 35' 13" and a Radius of 111.55 feet and a Long Chord of South 16° 17' 36" West, a distance of 62.59 feet;

South 00° 00' 00" West, a distance of 483.91 feet;  
South 05° 56' 15" East, a distance of 100.54 feet;



(continued)

South 00° 00' 00" West, a distance of 78.03 feet to a 5/8 inch iron rod with a red cap set on line at a point of curve for this 183.20 acres being described;

Along said curve to the right with a Delta of 89° 58' 39" and a Radius of 223.85 feet and a Long Chord of South 44° 59' 19" West, a distance of 316.51 feet;

South 89° 58' 39" West, a distance of 1324.20 feet to a point of curve;

Along said curve to the right with a Delta of 90° 51' 26" and a Radius of 223.85 feet and a Long Chord of North 44° 35' 38" West, a distance of 318.93 feet to a 5/8 inch iron rod with a red cap set on line at a point of tangent for this 183.20 acres being described;

North 00° 50' 05" East, a distance of 61.06 feet;

North 14° 31' 12" East, a distance of 102.92 feet;

North 00° 50' 05" East, a distance of 3315.95 feet to a point of curve;

Along said curve to the right with a Delta of 88° 11' 14" and a Radius of 199.50 feet and a Long Chord of North 44° 55' 42" East, a distance of 277.64 feet to a 5/8 inch iron rod with a red cap set on line at a point of tangent for this 183.20 acres being described;

North 89° 01' 19" East, a distance of 68.61 feet;

South 90° 00' 00" East, a distance of 99.98 feet;

North 85° 00' 49" East, a distance of 30.85 feet to the toe of the existing ramp.

THENCE along the toe of the existing ramp with the following courses and distances:

North 03° 45' 32" West, a distance of 29.32 feet;

North 18° 13' 17" East, a distance of 74.74 feet;

North 28° 56' 31" East, a distance of 88.28 feet;

North 32° 10' 03" East, a distance of 91.41 feet;


North 22° 33' 31" East, a distance of 29.23 feet;

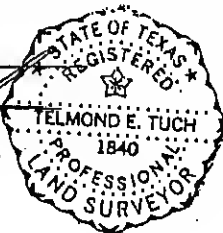
North 45° 38' 04" East, a distance of 17.24 feet for a corner of this 183.20 acres being described;

THENCE North 22° 30' 35" East, with a line that is 20.00 feet West of and parallel to the centerline of the existing road, a distance of 646.10 feet to the Northwest corner of this 183.20 acres being described;

THENCE South 67° 29' 32" East, with the South line of the existing bridge a distance of 20.00 feet to the PLACE OF BEGINNING, containing within these metes and bounds 183.20 acres.

This fieldnote description and a plat were prepared from a survey made on the ground under my direction in March 2001, and is true and correct to the best of my knowledge and belief.

  
TELMOND E. TUCH  
REGISTERED PROFESSIONAL  
LAND SURVEYOR, NO. 1840







FIELDNOTE DESCRIPTION  
77.23 ACRES

STATE OF TEXAS       }  
COUNTY OF CALHOUN   }

All of that certain tract or parcel containing 77.23 acres situated in State Drilling Tracts No. 14 and No. 15 of Calhoun County, Texas and being a part of the same property described as 47, 765 acre in Deed dated October 13, 1956 from the State of Texas to the Calhoun County Navigation District recorded in Volume 122, Pages 443-449 of the Deed Records of Calhoun County, Texas. This 77.23 acres is more particularly described by metes and bounds as follows:

**BEGINNING** at a 5/8 inch iron rod with red plastic cap set at the intersection of the Easterly projection of the South line of a 183.20 acre tract previously surveyed with the existing shoreline of Lavaca Bay for the Northeast corner of this 77.23 acres being described, from which "Mitchell 2" (Grid Coordinates N 13,426,948.96 and E 2,752,075.29) bears North 71° 38' 31" East, a distance of 2458.27 feet:

**THENCE** along the existing shoreline of Lavaca Bay with the following meanders:

South 36° 31' 49" East, a distance of 25.52 feet;  
South 29° 17' 02" West, a distance of 127.71 feet;  
South 08° 45' 35" West, a distance of 144.41 feet;  
South 20° 50' 07" West, a distance of 214.05 feet;  
South 24° 41' 30" West, a distance of 151.50 feet;  
South 06° 37' 58" West, a distance of 96.57 feet;  
South 13° 41' 08" East, a distance of 109.39 feet;  
South 08° 08' 50" West, a distance of 42.03 feet;  
South 24° 46' 44" West, a distance of 149.64 feet;  
South 11° 31' 32" West, a distance of 60.34 feet;  
South 01° 58' 22" East, a distance of 92.85 feet;  
South 07° 29' 24" West, a distance of 173.63 feet;  
South 10° 08' 15" East, a distance of 213.13 feet;  
South 09° 10' 45" West, a distance of 223.71 feet;  
South 33° 05' 05" West, a distance of 175.64 feet;  
South 08° 18' 02" West, a distance of 730.22 feet;  
South 29° 11' 19" West, a distance of 110.35 feet;  
South 51° 07' 38" West, a distance of 104.75 feet;  
South 74° 15' 40" West, a distance of 50.68 feet;  
North 82° 10' 06" West, a distance of 112.94 feet;  
North 72° 13' 24" West, a distance of 194.82 feet;  
North 85° 26' 26" West, a distance of 144.54 feet;  
North 71° 52' 50" West, a distance of 84.97 feet;  
North 18° 36' 18" East, a distance of 169.62 feet;  
North 05° 49' 05" East, a distance of 79.58 feet;  
North 10° 17' 28" East, a distance of 60.00 feet;  
North 14° 10' 36" East, a distance of 77.54 feet;  
North 08° 13' 42" West, a distance of 39.73 feet;  
North 07° 02' 48" East, a distance of 96.51 feet;  
North 11° 30' 27" West, a distance of 152.89 feet;  
North 38° 49' 01" West, a distance of 34.17 feet;  
North 22° 27' 48" West, a distance of 52.39 feet;  
North 48° 17' 12" West, a distance of 84.73 feet;  
North 24° 26' 40" West, a distance of 54.51 feet;  
North 50° 48' 29" West, a distance of 308.34 feet;



FIELDNOTE DESCRIPTION  
77.23 ACRES


(continued)

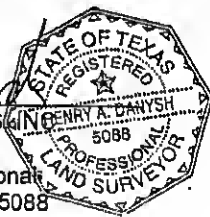
North 04° 15' 44" East, a distance of 57.41 feet;  
North 25° 07' 08" West, a distance of 45.06 feet;  
North 46° 23' 08" East, a distance of 26.39 feet;  
North 10° 55' 37" East, a distance of 98.92 feet;  
North 19° 02' 14" West, a distance of 65.84 feet;  
North 35° 53' 30" West, a distance of 159.11 feet;  
North 06° 12' 19" West, a distance of 81.50 feet;  
North 21° 33' 50" West, a distance of 97.15 feet;  
North 41° 59' 19" West, a distance of 324.91 feet;  
North 03° 11' 38" West, a distance of 174.00 feet;  
North 24° 18' 07" East, a distance of 104.90 feet;  
North 12° 24' 55" East, a distance of 139.39 feet;  
North 11° 00' 51" West, a distance of 119.23 feet;  
North 32° 29' 09" West, a distance of 230.52 feet;  
North 10° 48' 21" East, a distance of 43.81 feet;

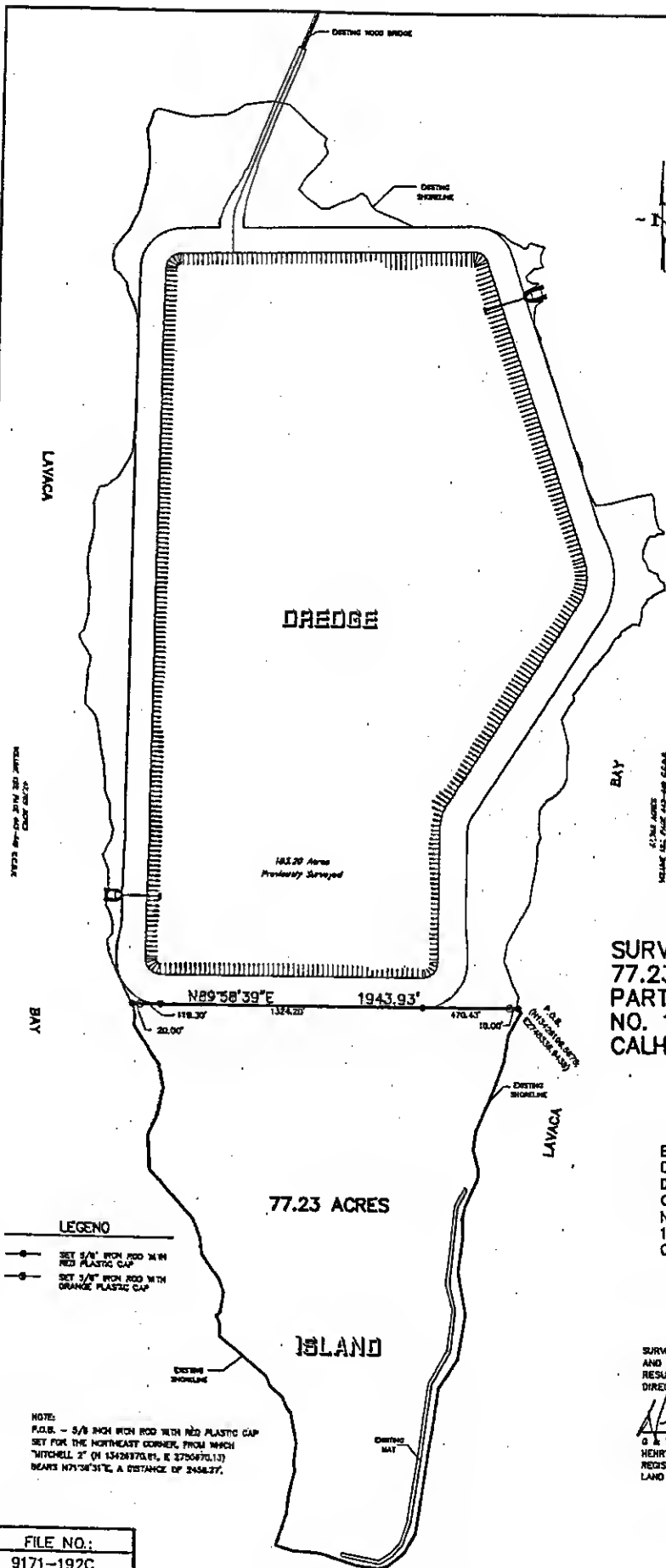
North 14° 07' 41" West, a distance of 68.46 feet to a 5/8 inch iron rod with red plastic cap set at the intersection of the Westerly projection of the South line of the above mentioned 183.20 acre tract with the existing shoreline of Lavaca Bay for the Northwest corner of this 77.23 acres being described;

THENCE North 89° 58' 39" East, pass a 5/8 inch iron rod with orange plastic cap set on line at a distance of 20.00 feet and pass a 5/8 inch iron rod with red plastic cap set on line at a corner of the said 183.20 acre tract at a distance of 139.30 feet and continuing the same course with the South line of the said 183.20 acre tract, pass another 5/8 inch iron rod with red plastic cap set at another corner of the said 183.20 acre tract at a distance of 1463.50 feet and pass another 5/8 inch iron rod with orange plastic cap set on line at a distance of 1933.93 feet and continuing a total distance of 1943.93 feet to the PLACE OF BEGINNING, containing within these metes and bounds 77.23 acres.

This fieldnote description and a plat were prepared from a survey made on the ground under my direction in October 2001.

  
G & W ENGINEERS, INC.  
Henry A. Danysh  
Registered Professional  
Land Surveyor, No. 5088





MEANDERS ALONG EXISTING SHORELINE OF LAVACA BAY		
LINE	BEARING	DISTANCE
1	S38°31'49"E	25.52'
2	S29°17'02"W	127.71'
3	S08°45'35"W	144.41'
4	S20°50'07"W	214.05'
5	S24°41'30"W	151.50'
6	S08°37'58"W	98.57'
7	S13°41'08"E	109.38'
8	S08°58'50"W	42.01'
9	S24°58'44"W	149.54'
10	S11°31'32"W	60.92'
11	S01°58'22"E	92.85'
12	S07°28'24"W	173.83'
13	S10°08'15"E	213.13'
14	S08°10'45"W	223.71'
15	S13°05'05"W	175.84'
16	S08°48'02"W	730.22'
17	S29°11'19"W	110.35'
18	S01°07'58"W	104.75'
19	S74°15'40"W	50.85'
20	N67°10'08"W	112.84'
21	N72°13'24"W	194.82'
22	N85°26'26"W	144.54'
23	N71°52'50"W	84.97'
24	N18°38'18"E	169.62'
25	N05°49'03"E	79.58'
26	N10°17'25"E	60.00'
27	N14°10'38"E	77.54'
28	N08°13'42"W	39.73'
29	N07°02'48"E	98.91'
30	N11°50'27"W	152.89'
31	N38°49'01"W	34.17'
32	N22°27'48"W	54.36'
33	N48°17'12"W	84.73'
34	N24°26'40"W	54.51'
35	N50°48'29"W	308.34'
36	N04°15'44"E	57.41'
37	N25°07'08"W	45.08'
38	N46°23'08"E	26.39'
39	N10°53'17"E	98.92'
40	N19°32'14"W	65.84'
41	N35°53'30"W	139.11'
42	N08°13'19"W	81.50'
43	N21°13'55"W	97.12'
44	N41°59'19"W	124.01'
45	N03°11'58"W	174.00'
46	N24°18'07"E	104.90'
47	N12°24'53"E	139.39'
48	N11°00'51"W	119.23'
49	N32°29'09"W	230.52'
50	N10°48'21"E	43.81'
51	N14°07'41"W	68.46'

**SURVEY PLAT SHOWING  
77.23 ACRES  
PART OF STATE DRILLING TRACTS  
NO. 14 AND NO. 15  
CALHOUN COUNTY, TEXAS**

BEING A PART OF THE SAME PROPERTY DESCRIBED AS 47,765 ACRES IN DEED DATED OCTOBER 13, 1958 FROM THE STATE OF TEXAS TO THE CALHOUN COUNTY NAVIGATION DISTRICT RECORDED IN VOLUME 122, PAGES 443-449 OF THE DEED RECORDS OF CALHOUN COUNTY, TEXAS.

**LEGEND**  
 SET 5/8" IRON ROD WITH RED PLASTIC CAP  
 SET 3/8" IRON ROD WITH ORANGE PLASTIC CAP

NOTE:  
P.O.B. - 5/8" IRON ROD WITH RED PLASTIC CAP SET FOR THE NORTHEAST CORNER, FROM WHICH TITCHELL, 2" ON 13428970.01, E 3706070.137 BEARS N71°36'31"E, A DISTANCE OF 2458.27.

I, HENRY A. DANYSH, REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THAT THE FOREGOING DESCRIPTION AND A FIELDNOTE DESCRIPTION PREPARED BY HENRY A. DANYSH, IS THE RESULT OF A SURVEY MADE ON THE PROPERTY DESCRIBED IN THIS PLAT IN OCTOBER 2001.

*Henry A. Danysh*  
 G & W ENGINEERS, INC.  
 HENRY A. DANYSH  
 REGISTERED PROFESSIONAL LAND SURVEYOR NO. 5088



FILE NO.:  
9171-192C  
JOB NO.:  
9171-192  
SHEET NO.:  
1 OF 1

**G & W ENGINEERS, INC.**  
 • ENGINEERING • SURVEYING • ARCHITECTURE • PLANNING  
 205 W. LIVE OAK ST. PORT LAVACA, TEXAS 77979 (361)552-4509

DRAWN BY:  
J.H.D.  
CHECKED BY:  
H.A.D.  
DATE:  
OCTOBER 2001  
SCALE:  
1" = 500'

**SPECIAL WARRANTY DEED  
CONVEYING ACCRETED LANDS**  
(with Restrictive Covenant in favor of Grantor)

STATE OF TEXAS                    §     KNOW ALL MEN BY THESE PRESENTS  
COUNTY OF CALHOUN           §

**WHEREAS**, Article 16, Section 59 of the Texas Constitution authorizes the conservation and development of all natural resources of this State, including navigation of inland and coastal waters, through the creation of conservation and reclamation districts such as the Calhoun County Navigation District (hereinafter "Grantor" or "CCND");

**WHEREAS**, the CCND is the record owner of the property more particularly described by metes and bounds on Exhibit 1 attached hereto and incorporated herein (hereinafter the "Subject Property");

**WHEREAS**, the CCND and the Aluminum Company of America (now Alcoa Inc.) (hereinafter "Alcoa") entered into a Lease Agreement dated June 16, 1982 (hereinafter the "1982 Lease"), covering CCND-owned lands including the Subject Property which was recorded in Volume 356, Page 681 of the Official Public Records of Calhoun County, Texas;

**WHEREAS**, the Subject Property is composed of accreted lands comprising 40.35 acres;

**WHEREAS**, the Subject Property, in its entirety is located within the Alcoa (Point Comfort)/Lavaca Bay Superfund Site (hereinafter the "Superfund Site"), said Superfund Site having been placed on the National Priorities List effective March 25, 1994. 59 FED.REG. 8724 (February 23, 1994);

**WHEREAS**, pursuant to the Administrative Order on Consent and other documents made a part of the administrative record in U.S. EPA Docket No.6-11-94, Alcoa has initiated remedial investigations, feasibility studies and removal actions to address mercury contamination at the Superfund Site in accordance with the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. Chapter 103;

**WHEREAS**, Chapters 60 and 62 of the Texas Water Code, applicable to the CCND, permits the sale of land acquired by navigation districts from the State pursuant to Article 8225, Revised Civil Statutes of Texas;

**WHEREAS**, in conveying the Subject Property to Alcoa, it is the intent of the Parties that, for operational, navigational and safety reasons, the Subject Property shall never be used as a Commercial Port Facility as such term is defined herein.

**WHEREAS**, pursuant to the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, the CCND Board, by a resolution duly passed, declared the Subject Property as surplus property under Texas Water Code §60.038(b), in excess of the needs of the CCND and appropriate for sale.

**NOW THEREFORE**, Grantor, Calhoun County Navigation District, a navigation district duly formed and existing under the laws of the State of Texas, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **GRANTS, SELLS, and CONVEYS** unto: Alcoa World Alumina LLC, a limited liability company organized and existing under the laws of the State of Delaware with its principal offices at 201 Isabella Street, Pittsburgh, Pennsylvania 15212 ("Grantee"), that certain tract or parcel of real property located in Calhoun County, Texas, more particularly described by metes and bounds on Exhibit 1 attached hereto and incorporated herein, together with all improvements thereto and fixtures thereon.

It is expressly understood and agreed that the Subject Property is comprised of only uplands and that this Deed conveys no submerged lands.

It is expressly understood and agreed that, unless otherwise agreed to in writing by the Grantor, the Subject Property shall not be used for purposes of constructing or operating a Commercial Port Facility. A "Commercial Port Facility" shall be defined as wharves, docks, tank terminals or similar facilities for berthing, stevedoring, or other commercial maritime cargo handling activities which are open to and serving the maritime public. Nothing herein shall prevent the owner of the Subject Property from constructing or using wharves, docks or other maritime facilities for its own operations, or, with the prior written consent of Grantor, from leasing the Subject Property for such use by another. This restriction shall run with the land and shall be binding on all parties having any right, title, or interest in the property, in whole or in part, and their successors and assigns. This restriction is perpetual and shall be for the benefit of all CCND lands in Calhoun County, Texas. The Grantor shall have the right to enforce the restriction by any proceeding at law or in equity. Failure to enforce the restriction shall not be deemed a waiver of the right of enforcement. All waivers must be in writing and signed by Grantor.

**TO HAVE AND TO HOLD** the above described Subject Property, together with all the rights, improvements, and appurtenances lawfully accompanying it, by Grantee and the Grantee's successors and assigns forever. Grantor binds itself and Grantor's successors and assigns to warrant and forever defend the Subject Property against every person whomsoever lawfully

claiming or to claim the same or any part thereof when the claim is by, through, or under Grantor but not otherwise.

This instrument is made and given pursuant to the terms of that certain Settlement Agreement and Appendices attached thereto entered into by the CCND and Alcoa dated January 31, 2002. This Agreement shall be executed simultaneously with the Settlement Agreement and shall be effective as of the Effective Date provided for in the Settlement Agreement.

EXECUTED this 31 day of January, 2002.

CALHOUN COUNTY NAVIGATION DISTRICT

By: 

Roger G. Martinez, Board Chairman

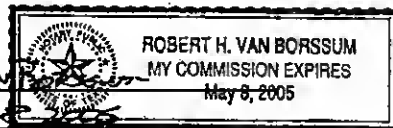
STATE OF TEXAS       §  
COUNTY OF CALHOUN   §

This instrument was acknowledged before me on January 31, 2002 by Roger G. Martinez, Board Chairman of the Calhoun County Navigation District, a political subdivision of the State of Texas.

Notary Public, State of Texas

Printed Name: Robert H. Van Borssum

Commission Expires: May 8, 2005



FIELDNOTE DESCRIPTION  
40.35 ACRES

STATE OF TEXAS        }  
COUNTY OF CALHOUN    }

All of that certain tract or parcel containing 40.35 acres situated in and being a part of a 47,765 acre tract described in Deed dated October 13, 1956 from the State of Texas to the Calhoun County Navigation District recorded in Volume 122, Page 443-449 of the Deed Records of Calhoun County, Texas and also being a part of State Drilling Blocks No. 13 and No. 25 in Calhoun County, Texas. This 40.35 acres is more particularly described by metes and bounds as follows:

**BEGINNING** at the intersection of the West line of the above mentioned 3062.40 acres and the existing sheet piling on the East shore of Lavaca Bay for the Southeast corner of this 40.35 acres being described from which Mitchell 2 (Grid coordinates N 13,426,970.81 and E 2,750670.13) bears North 40 deg. 35 min. 49 sec. West, a distance of 537.15 feet;

**THENCE** along the existing sheet piling with the following courses and distances:

North 84 deg. 40 min. 49 sec. West, a distance of 87.24 feet;

North 02 deg. 24 min. 29 sec. East, a distance of 16.79 feet to the end of the existing sheet piling for a corner of this 40.35 acres being described;

**THENCE** along the existing East shore of Lavaca Bay with the following courses and distances:

North 72 deg. 22 min. 34 sec. West, a distance of 153.55 feet;

North 65 deg. 51 min. 08 sec. West, a distance of 158.14 feet;

North 73 deg. 19 min. 25 sec. West, a distance of 59.29 feet;

North 52 deg. 36 min. 04 sec. West, a distance of 142.07 feet;

North 38 deg. 35 min. 26 sec. West, a distance of 144.96 feet;

North 65 deg. 23 min. 04 sec. West, a distance of 74.95 feet;

North 02 deg. 00 min. 36 sec. East, a distance of 36.03 feet;

North 22 deg. 55 min. 23 sec. East, a distance of 61.45 feet;

North 44 deg. 58 min. 36 sec. East, a distance of 99.53 feet;

North 51 deg. 54 min. 44 sec. East, a distance of 181.86 feet;

North 42 deg. 15 min. 53 sec. East, a distance of 76.35 feet;

North 20 deg. 39 min. 45 sec. West, a distance of 15.80 feet to the beginning of the existing sheet piling for a corner of this 40.35 acres being described;

**THENCE** along the existing sheet piling with the following courses and distances:

North 70 deg. 49 min. 02 sec. East, a distance of 460.66 feet;

North 27 deg. 42 min. 07 sec. East, a distance of 46.33 feet;

North 54 deg. 48 min. 00 sec. West, a distance of 20.57 feet;

North 19 deg. 29 min. 39 sec. West, a distance of 294.81 feet;

South 70 deg. 35 min. 46 sec. West, a distance of 51.90 feet;

Along a curve to the right with a Delta of 192 deg. 01 min. 39 sec. and a Radius of 20.91 feet and a Long Chord of North 28 deg. 16 min. 08 sec. West, a distance of 41.60 feet to the end of the existing sheet piling and the beginning of the existing riprap for a corner of this 40.35 acres being described;





(continued)

THENCE along the existing riprap with the following courses and distances:

North 02 deg. 17 min. 44 sec. West, a distance of 14.01 feet;  
North 11 deg. 44 min. 05 sec. East, a distance of 48.71 feet;  
North 05 deg. 11 min. 00 sec. West, a distance of 51.42 feet;  
North 13 deg. 34 min. 31 sec. West, a distance of 105.18 feet;  
North 17 deg. 23 min. 00 sec. West, a distance of 285.32 feet;  
North 21 deg. 54 min. 05 sec. West, a distance of 239.82 feet;  
North 16 deg. 49 min. 47 sec. East, a distance of 11.83 feet;  
North 47 deg. 37 min. 25 sec. East, a distance of 18.06 feet;  
South 75 deg. 07 min. 29 sec. West, a distance of 8.93 feet;  
North 66 deg. 47 min. 46 sec. West, a distance of 14.84 feet;  
North 31 deg. 47 min. 11 sec. West, a distance of 28.80 feet;  
North 22 deg. 25 min. 15 sec. West, a distance of 64.99 feet to the end of the existing riprap  
for a corner of this 40.35 acres being described;

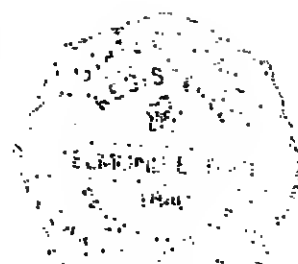
THENCE along the existing East shore of Lavaca Bay with the following courses and distances:

North 33 deg. 50 min. 59 sec. East, a distance of 6.24 feet;  
North 23 deg. 36 min. 48 sec. West, a distance of 77.42 feet;  
North 14 deg. 49 min. 55 sec. West, a distance of 137.26 feet;  
North 21 deg. 30 min. 05 sec. West, a distance of 71.92 feet;  
North 21 deg. 15 min. 07 sec. West, a distance of 81.89 feet;  
North 47 deg. 07 min. 05 sec. West, a distance of 37.70 feet;  
North 73 deg. 38 min. 50 sec. West, a distance of 100.17 feet;  
North 82 deg. 37 min. 30 sec. West, a distance of 140.93 feet;  
North 71 deg. 47 min. 33 sec. West, a distance of 95.35 feet;  
North 62 deg. 06 min. 09 sec. West, a distance of 46.80 feet;  
North 79 deg. 16 min. 46 sec. West, a distance of 38.85 feet;  
North 65 deg. 59 min. 21 sec. West, a distance of 47.34 feet;  
North 29 deg. 10 min. 58 sec. West, a distance of 108.66 feet;  
North 44 deg. 00 min. 07 sec. West, a distance of 85.38 feet;  
North 27 deg. 02 min. 55 sec. West, a distance of 43.75 feet;  
North 08 deg. 10 min. 11 sec. West, a distance of 71.83 feet;  
North 15 deg. 01 min. 38 sec. West, a distance of 139.90 feet;  
North 17 deg. 09 min. 00 sec. East, a distance of 38.13 feet;  
North 46 deg. 38 min. 46 sec. East, a distance of 94.76 feet;  
North 65 deg. 49 min. 28 sec. East, a distance of 56.57 feet;  
South 76 deg. 52 min. 00 sec. East, a distance of 25.72 feet;  
North 65 deg. 26 min. 24 sec. East, a distance of 62.01 feet;  
North 77 deg. 06 min. 46 sec. East, a distance of 50.76 feet;  
South 41 deg. 57 min. 34 sec. East, a distance of 37.05 feet;  
South 35 deg. 12 min. 37 sec. East, a distance of 87.46 feet;  
South 82 deg. 31 min. 05 sec. East, a distance of 19.85 feet;  
North 67 deg. 16 min. 28 sec. East, a distance of 30.52 feet;  
North 47 deg. 52 min. 25 sec. East, a distance of 21.24 feet;  
North 19 deg. 35 min. 57 sec. West, a distance of 56.31 feet;  
North 12 deg. 55 min. 47 sec. West, a distance of 75.51 feet;  
North 21 deg. 18 min. 55 sec. West, a distance of 74.74 feet;



(continued)

North 03 deg. 12 min. 12 sec. West, a distance of 25.83 feet;  
North 19 deg. 31 min. 01 sec. West, a distance of 77.31 feet;  
North 27 deg. 51 min. 26 sec. West, a distance of 51.50 feet;  
South 89 deg. 29 min. 47 sec. West, a distance of 2.80 feet;  
North 19 deg. 07 min. 49 sec. West, a distance of 10.34 feet;  
North 59 deg. 05 min. 21 sec. East, a distance of 5.91 feet;  
North 34 deg. 27 min. 44 sec. West, a distance of 26.46 feet;  
North 72 deg. 34 min. 41 sec. West, a distance of 17.18 feet;  
South 81 deg. 27 min. 58 sec. West, a distance of 61.26 feet;  
North 88 deg. 06 min. 27 sec. West, a distance of 32.30 feet;  
North 40 deg. 04 min. 36 sec. East, a distance of 41.38 feet;  
North 64 deg. 56 min. 01 sec. East, a distance of 101.98 feet;  
North 33 deg. 08 min. 39 sec. East, a distance of 26.65 feet;  
North 36 deg. 06 min. 28 sec. West, a distance of 20.00 feet;  
South 76 deg. 47 min. 26 sec. West, a distance of 34.74 feet;  
South 40 deg. 05 min. 53 sec. West, a distance of 25.23 feet;  
South 77 deg. 31 min. 42 sec. West, a distance of 54.73 feet;  
North 03 deg. 22 min. 24 sec. West, a distance of 52.67 feet;  
North 76 deg. 18 min. 02 sec. West, a distance of 37.65 feet;  
North 42 deg. 19 min. 11 sec. West, a distance of 47.57 feet;  
North 60 deg. 59 min. 30 sec. West, a distance of 50.82 feet;  
North 74 deg. 31 min. 40 sec. West, a distance of 57.23 feet;  
North 87 deg. 15 min. 01 sec. West, a distance of 54.90 feet;  
South 82 deg. 35 min. 13 sec. West, a distance of 93.31 feet;  
North 70 deg. 39 min. 15 sec. West, a distance of 77.03 feet;  
South 87 deg. 42 min. 55 sec. West, a distance of 36.91 feet;  
North 65 deg. 27 min. 05 sec. West, a distance of 27.10 feet;  
North 71 deg. 02 min. 05 sec. West, a distance of 229.14 feet;  
North 73 deg. 59 min. 40 sec. West, a distance of 125.22 feet;  
North 67 deg. 33 min. 36 sec. West, a distance of 60.83 feet;  
South 78 deg. 12 min. 11 sec. West, a distance of 23.19 feet;  
North 52 deg. 48 min. 32 sec. West, a distance of 23.78 feet;  
North 26 deg. 12 min. 45 sec. West, a distance of 64.46 feet;  
North 20 deg. 13 min. 33 sec. East, a distance of 51.77 feet;  
North 55 deg. 44 min. 15 sec. East, a distance of 24.31 feet;  
North 33 deg. 28 min. 35 sec. East, a distance of 46.29 feet;  
North 22 deg. 12 min. 40 sec. East, a distance of 25.85 feet;  
North 40 deg. 43 min. 22 sec. East, a distance of 57.56 feet;  
North 40 deg. 50 min. 19 sec. East, a distance of 19.31 feet;  
North 46 deg. 52 min. 00 sec. East, a distance of 10.01 feet;  
North 47 deg. 48 min. 48 sec. East, a distance of 53.13 feet;  
North 47 deg. 09 min. 26 sec. East, a distance of 86.96 feet;  
North 61 deg. 46 min. 14 sec. East, a distance of 60.88 feet;  
North 33 deg. 05 min. 16 sec. East, a distance of 30.37 feet;  
North 59 deg. 30 min. 13 sec. East, a distance of 102.42 feet;  
North 56 deg. 01 min. 24 sec. East, a distance of 169.15 feet;  
North 37 deg. 55 min. 48 sec. East, a distance of 32.42 feet;



(continued)

North 66 deg. 14 min. 10 sec. East, a distance of 63.40 feet;  
North 52 deg. 40 min. 48 sec. East, a distance of 54.00 feet;  
North 54 deg. 52 min. 46 sec. East, a distance of 117.50 feet;  
North 45 deg. 51 min. 38 sec. East, a distance of 42.11 feet to the West line of the said 3062.40 acre tract for the Northeast corner of this 40.35 acres being described;

THENCE South 23 deg. 24 min. 49 sec. East, with the West line of the said 3062.40 acre tract, pass a 5/8 inch iron rod with a red cap set on line at a distance of 30.00 feet and continuing a total distance of 470.96 feet to an angle point for a corner of this 40.35 acres being described;

THENCE South 16 deg. 08 min. 06 sec. East, with the West line of the said 3062.40 acre tract, a distance of 702.36 feet to an angle point for a corner of this 40.35 acres being described;

THENCE South 17 deg. 33 min. 06 sec. East, with the West line of the said 3062.40 acre tract, a distance of 841.67 feet to an angle point for a corner of this 40.35 acres being described;

THENCE South 21 deg. 48 min. 06 sec. East, with the West line of the said 3062.40 acre tract, a distance of 1383.33 feet to an angle point for a corner of this 40.35 acres being described;

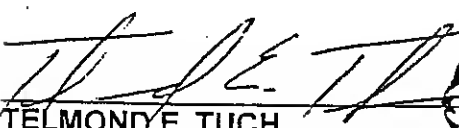
THENCE South 13 deg. 58 min. 06 sec. East, with the West line of the said 3062.40 acre tract, a distance of 902.78 feet to an angle point for a corner of this 40.35 acres being described;

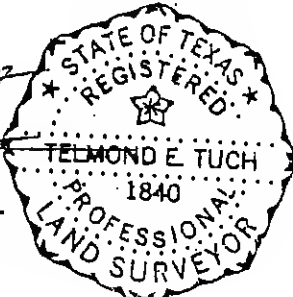
THENCE South 14 deg. 56 min. 54 sec. West, with the West line of the said 3062.40 acre tract, a distance of 263.89 feet to an angle point for a corner of this 40.35 acres being described;

THENCE South 44 deg. 01 min. 54 sec. West, with the West line of the said 3062.40 acre tract, pass a 5/8 inch iron rod set on line at a distance of 245.78 feet and continuing a total distance of 260.78 feet to the **PLACE OF BEGINNING**, containing within these metes and bounds 40.35 acres.

The bearings recited herein are based on the said 3062.40 acre tract recorded in Volume 61, Pages 321-326 of the Deed Records of Calhoun County, Texas.

The foregoing **DESCRIPTION** was prepared from an actual on the ground survey made under my direction and supervision in March 2001, and is true and correct to the best of my knowledge and belief.

  
TELMOND E. TUCH  
REGISTERED PROFESSIONAL  
LAND SURVEYOR, NO. 1840





**AGREEMENT FOR RECIPROCAL EASEMENTS  
AND RIGHTS-OF-WAY**

STATE OF TEXAS

§

KNOW ALL MEN BY THESE PRESENTS

COUNTY OF CALHOUN

§

§

This Agreement for Reciprocal Easements and Rights-of-Way is entered into by and between **Alcoa World Alumina LLC**, (hereinafter "**AWA**"), a Delaware limited liability company, and the **Calhoun County Navigation District**, (hereinafter "**CCND**"), a navigation district duly formed and existing under the laws of the State of Texas, whose mailing address is P.O. Box 397, Point Comfort, Texas, 77978.

**1. IDENTIFICATION OF LANDS AFFECTED**

**(a) Lands of AWA**

AWA owns that certain 3.31 acre tract of land more fully described by metes and bounds in that certain Roadway Easement dated May 24, 1989 and recorded in Volume 32, Page 250 of the Official Records of Calhoun County, Texas (the "Format Easement"), to which reference is here made for purposes of describing said tract. Said Tract is referred to herein as the "**Highway Tract**".

**(b) Lands of CCND**

CCND owns those certain accreted uplands forming a peninsula out into Lavaca Bay, to which an existing 17 foot wide wooden bridge connects the man-made spoil island (commonly known as "Dredge Island") in Lavaca Bay that lies to the south and west of such peninsula. Such lands are referred to herein as the "**Peninsula Tract**". The Peninsula Tract is situated upon State Tract No. 13, per revised map of Matagorda Bay and vicinity showing subdivision for mineral development, dated February 5, 1941, prepared by and on file in the office of, the Commissioner of the General Land Office of Texas, Austin, Texas, and is a part of the lands that are subject to that certain Lease Agreement dated June 16, 1982 by and between CCND and Aluminum Company of America, which instrument is recorded in Volume 356, Page 681 of the Deed Records of Calhoun County, Texas (the "1982 Lease").

**(c) Depiction**

Both the Highway Tract and the Peninsula Tract are depicted on the map attached hereto as Exhibit A, which by this reference is made a part of this instrument for all purposes.

**2. GRANT OF EASEMENT BY AWA**

For good and valuable consideration (including the reciprocal conveyance herein made by CCND), the receipt and sufficiency of which are hereby acknowledged by the parties, AWA hereby GRANTS and CONVEYS to CCND, for the term hereinafter expressed, a non-exclusive easement and right-of-way upon and across the Highway Tract, for the exclusive purpose of allowing CCND to use the existing road located thereon, known as Somico Road, as access between State Highway 35 and easements it holds on lands adjacent to the Highway Tract. This instrument does not grant rights in or to lands outside of the Highway Tract or the Peninsula Tract.

This grant is subject to all of the terms, conditions and limitations set forth in this instrument and to all restrictions, leases, liens, encumbrance and other matters that are of record and affect title to the

Property and/or to the easements here conveyed. **Specifically, the grant appearing in clause (a) of the preceding paragraph of this instrument is expressly made subject to the rights of Format Corporation, its successors and assigns, under the Format Easement.** EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, AWA MAKES NO WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE CONCERNING THE USEFULNESS, CONDITION, MAINTENANCE, REPLACEMENT, REPAIR OR ANY OTHER ATTRIBUTE OR ASPECT OF, OR OF ANY CONDITION NOW OR HEREAFTER AFFECTING, THE HIGHWAY TRACT.

### **3. GRANT OF EASEMENT BY CCND**

For good and valuable consideration (including the reciprocal conveyance herein made by AWA), the receipt and sufficiency of which are hereby acknowledged by the parties, CCND hereby GRANTS and CONVEYS to AWA, for the term hereinafter expressed, (a) a non-exclusive easement and right-of-way upon and across the portion of the Peninsula Tract upon which is situated an existing roadway, for the exclusive purpose of providing AWA access between easements it holds on lands adjacent to the Peninsula Tract and the wooden bridge connecting the Peninsula Tract to Dredge Island (the "Dredge Island Bridge"), (b) a non-exclusive easement and right-of-way upon and across the portion of the Peninsula Tract more fully described in Exhibit B attached hereto and made a part hereof, for the exclusive purpose of locating a yard and/or staging area for the location and storage of equipment or materials and the erection of fences or other enclosures from time to time for the protection and security of the same; and (c) a non-exclusive easement and right-of-way upon and across the Dredge Island Bridge for the purpose of providing AWA access to its property on Dredge Island, which is more fully described in a deed of even date herewith from CCND to AWA. The location of the easement referred to in the preceding clause (c) is more fully described on Exhibit C attached hereto and made a part hereof for all purposes. This instrument does not grant rights in or to lands outside of the above-described portions of the Peninsula Tract or the tract described in Exhibit C.

This grant is subject to all of the terms, conditions and limitations set forth in this instrument and to all restrictions, leases, liens, encumbrance and other matters that are of record and affect title to the Property and/or to the easements here conveyed. Specifically, AWA shall, until the expiration of the 1982 Lease, be entitled to use of the Dredge Island Bridge, the roadway thereon and all other improvements thereon to the full extent authorized under the 1982 Lease. From and after the expiration of such lease, AWA's right to use the Dredge Island Bridge will be governed by the provisions hereof. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, CCND MAKES NO WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE CONCERNING THE USEFULNESS, CONDITION, MAINTENANCE, REPLACEMENT, REPAIR OR ANY OTHER ATTRIBUTE OR ASPECT OF, OR OF ANY CONDITION NOW OR HEREAFTER AFFECTING, THE PENINSULA TRACT OR THE DREDGE ISLAND BRIDGE.

### **4. TERM OF RECIPROCAL EASEMENTS**

Except for the easement granted to AWA by CCND and described in clause (b) of numbered paragraph 3, above (the "Staging Area Easement"), the easements granted one another by the parties hereto shall each be permanent and perpetual in duration. The Staging Area Easement shall terminate on the date 90 days after the expiration of the 1982 Lease.

**5. DAMAGE TO AND MAINTENANCE OF ROADWAYS**

AWA and CCND each agree to be responsible to the, and each agrees to repair at its own cost and expense, any damage caused by it, its employees, agents, contractors or licensees to the roadway situated on the lands in which each has been granted an easement hereunder. Alcoa shall not be responsible for maintenance, repairs or damage to the roadway resulting from the use by the CCND of the roadway, and CCND shall pay or reimburse Alcoa any such costs that it may incur. CCND shall not fence or otherwise obstruct the easement granted it hereunder, either across or alongside the Highway Tract. CCND shall make no use of the Highway Tract which is inconsistent with the rights and privileges of Format Corporation, its successors and assigns under the Format Easement.

**6. AMENDMENTS TO AGREEMENT**

Any oral representation or modifications concerning this Agreement shall be of no force and effect. Any subsequent amendment or modification must be mutually agreed upon in writing by AWA and CCND.

**7. DISPUTE EXPENSES AND ATTORNEYS' FEES.**

In any controversy, claim, or dispute arising from or relating to this Agreement or its breach, the prevailing party shall be entitled to recover from the other party reasonable expenses, attorneys' fees, and costs. This Agreement relates to and concerns land located in Calhoun County, Texas. Venue for actions to interpret or enforce this Agreement shall be in state district court in Calhoun County, Texas or federal district court for the Southern District of Texas, Victoria Division.

**8. BINDING EFFECT.**

This Agreement shall bind and inure to the benefit of the respective parties and their affiliates, subsidiaries, parent companies, representatives, successors, and assigns.

**9. INCORPORATION BY REFERENCE AND EFFECTIVE DATE.**

This Agreement is entered into pursuant to the Settlement Agreement and Appendices attached thereto entered into by the CCND and Alcoa, Inc. dated January 31, 2002. This Agreement shall be executed simultaneously with the Settlement Agreement and shall be effective as of the Effective Date provided for in the Settlement Agreement.

**TO HAVE AND TO HOLD** unto the party to whom the grants herein are made and to their respective successors and assigns, for the term and subject to all of the terms, conditions, prior instruments, exceptions and other matters herein provided. To the exclusion of any and all other warranties, expressed or implied and subject to all of the terms, conditions, reservations, stipulations and other matters set forth above in this instrument, AWA and CCND each binds itself and its successors and assigns to warrant and forever defend the easement estates each has hereby granted to the other against every person whomsoever lawfully claiming or to claim the same or any part thereof, by through or under it, but not otherwise.

EXECUTED this \_\_\_\_ day of January, 2002.

"AWA"

ALCOA WORLD ALUMINIA, LLC

"CCND"

CALHOUN COUNTY NAVIGATION DISTRICT

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Roger G. Martinez, Board Chairman

COMMONWEALTH OF PENNSYLVANIA §  
COUNTY OF ALLEGHENY §

This instrument was acknowledged before me on January \_\_\_\_, 2002 by John Sibley, Vice President of Alcoa World Alumina LLC, a Delaware limited liability company, on behalf of said company.

Notary Public, State of \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Commission Expires: \_\_\_\_\_

STATE OF TEXAS §  
COUNTY OF CALHOUN §

This instrument was acknowledged before me on January \_\_\_\_, 2002 by Roger G. Martinez, Board Chairman of Calhoun County Navigation District, a political subdivision of the State of Texas, on behalf of said subdivision.

Notary Public, State of \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Commission Expires: \_\_\_\_\_



EXECUTED this 30<sup>th</sup> day of January, 2002.

"AWA"

ALCOA WORLD ALUMINIA, LLC

By: [Signature]  
Name: John Sibly  
Title: Vice President

COMMONWEALTH OF PENNSYLVANIA §  
COUNTY OF ALLEGHENY §

This instrument was acknowledged before me on January 30, 2002 by John Sibley, Vice President of Alcoa World Alumina LLC, a Delaware limited liability company, on behalf of said company.

[Signature]  
Notary Public, State of \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Commission Expires: \_\_\_\_\_

Notarial Seal Jacqueline L. Murtha, Notary Public Pittsburgh, Allegheny County My Commission Expires Jan. 24, 2003 Member, Pennsylvania Association of Notaries
---

STATE OF TEXAS §  
COUNTY OF CALHOUN §

This instrument was acknowledged before me on January \_\_\_, 2002 by Roger G. Martinez, Board Chairman of Calhoun County Navigation District, a political subdivision of the State of Texas, on behalf of said subdivision.

Notary Public, State of \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Commission Expires: \_\_\_\_\_

EXECUTED this 31 day of January, 2002.

"AWA"

ALCOA WORLD ALUMINIA, LLC

"CCND"

CALHOUN COUNTY NAVIGATION DISTRICT

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By:   
Roger G. Martinez, Board Chairman

COMMONWEALTH OF PENNSYLVANIA §  
COUNTY OF ALLEGHENY §

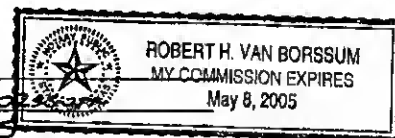
This instrument was acknowledged before me on January \_\_, 2002 by John Sibley, Vice President of Alcoa World Alumina LLC, a Delaware limited liability company, on behalf of said company.

Notary Public, State of \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Commission Expires: \_\_\_\_\_

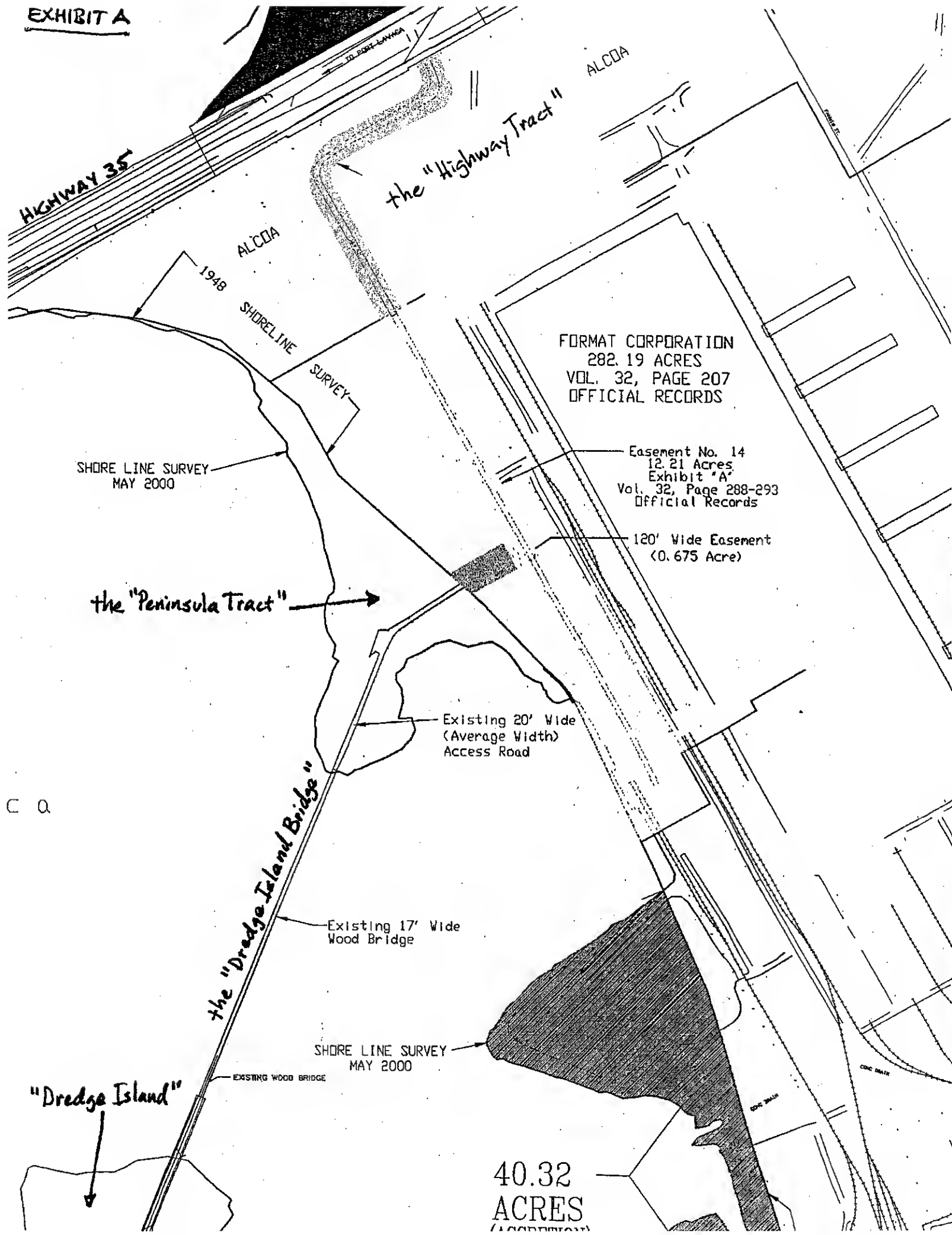
STATE OF TEXAS §  
COUNTY OF CALHOUN §

This instrument was acknowledged before me on January 31, 2002 by Roger G. Martinez, Board Chairman of Calhoun County Navigation District, a political subdivision of the State of Texas, on behalf of said subdivision.

Notary Public, State of TEXAS  
Printed Name: ROBERT H. VAN BORSSUM  
Commission Expires: MAY 8, 2005



**EXHIBIT A**



**EXHIBIT B**

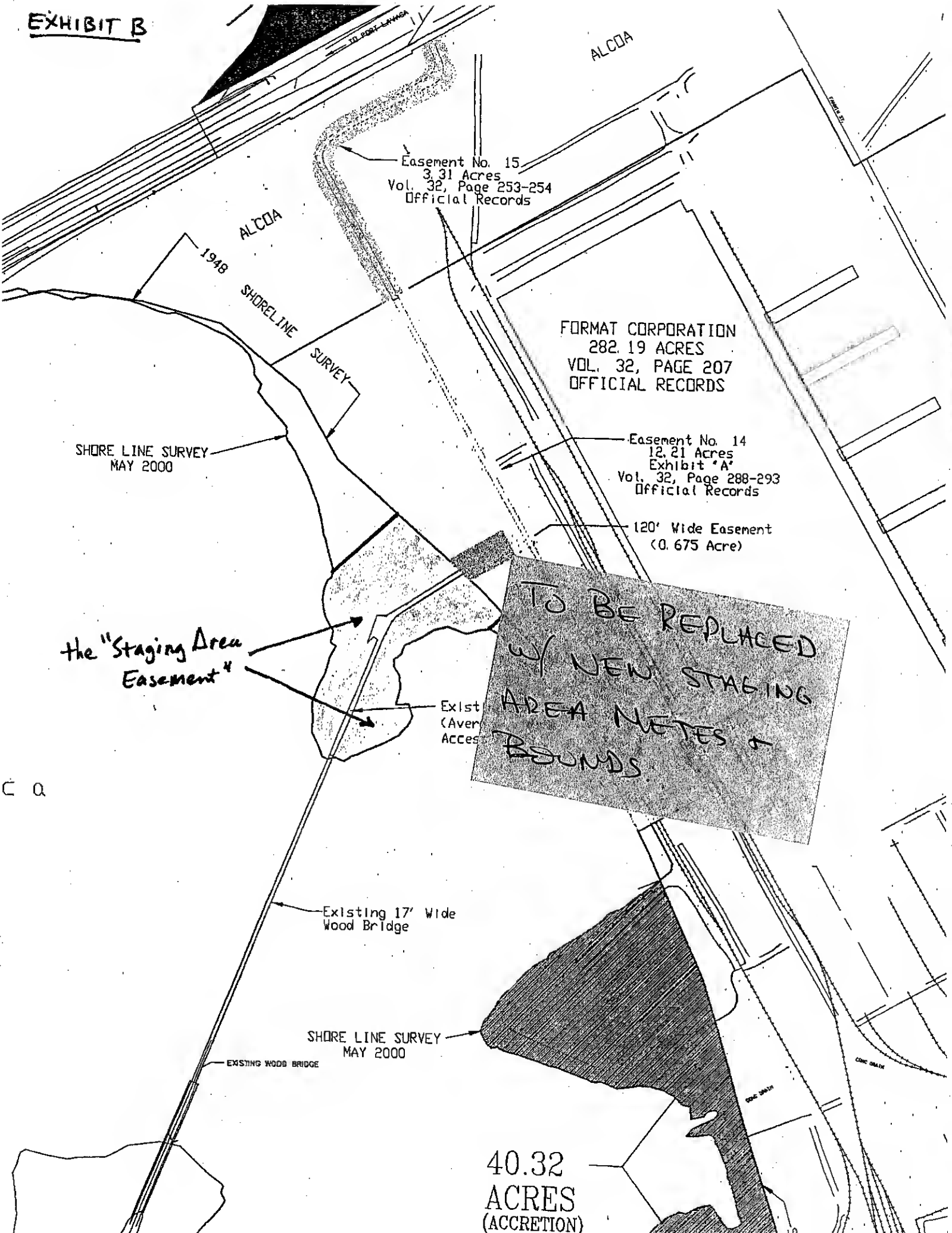


EXHIBIT C

PAGE ONE

FIELDNOTE DESCRIPTION  
0.60 ACRE  
17 FOOT WIDE ACCESS EASEMENT

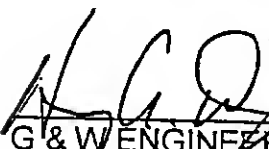
STATE OF TEXAS }  
COUNTY OF CALHOUN }

All of that certain tract or parcel containing 0.60 acre situated in State Drilling Block Number 13 and being a part of the same property described as 47,765 acres in Deed dated October 13, 1956 from the State of Texas to the Calhoun County Navigation District, recorded in Volume 122, Page 443-449 of the Deed Records of Calhoun County, Texas. The centerline of this 17 Foot Wide Access Easement is more particularly described by metes and bounds as follows:

**BEGINNING** at an existing "MAG" nail (N13430983.65, E2747178.50) located in the North line of a 183.20 acre tract previously surveyed and at the center of the South end of an existing wood bridge connecting the mainland to the Dredge Island from which Mitchell 2 (N 13426970.81, E 2750670.13) bears South 41° 01' 37" East, a distance of 5319.25 feet;

**THENCE** North 22° 30' 51" East, along the center of the said existing wood, a distance of 1540.27 feet to the North end of the said wood bridge (N13432406.53, E2747768.28) for the **TERMINUS POINT** of the centerline of this 17 Foot Wide Access Easement being described, from which Mitchell 2 (N 13426970.81, E 2750670.13) bears South 28° 05' 43" East, a distance of 6161.79 feet.

This fieldnote description and a plat were prepared from a survey made on the ground under my direction in October 2001.

  
G & W ENGINEERS, INC.  
Henry A. Danysh  
Registered Professional  
Land Surveyor, No. 5088



